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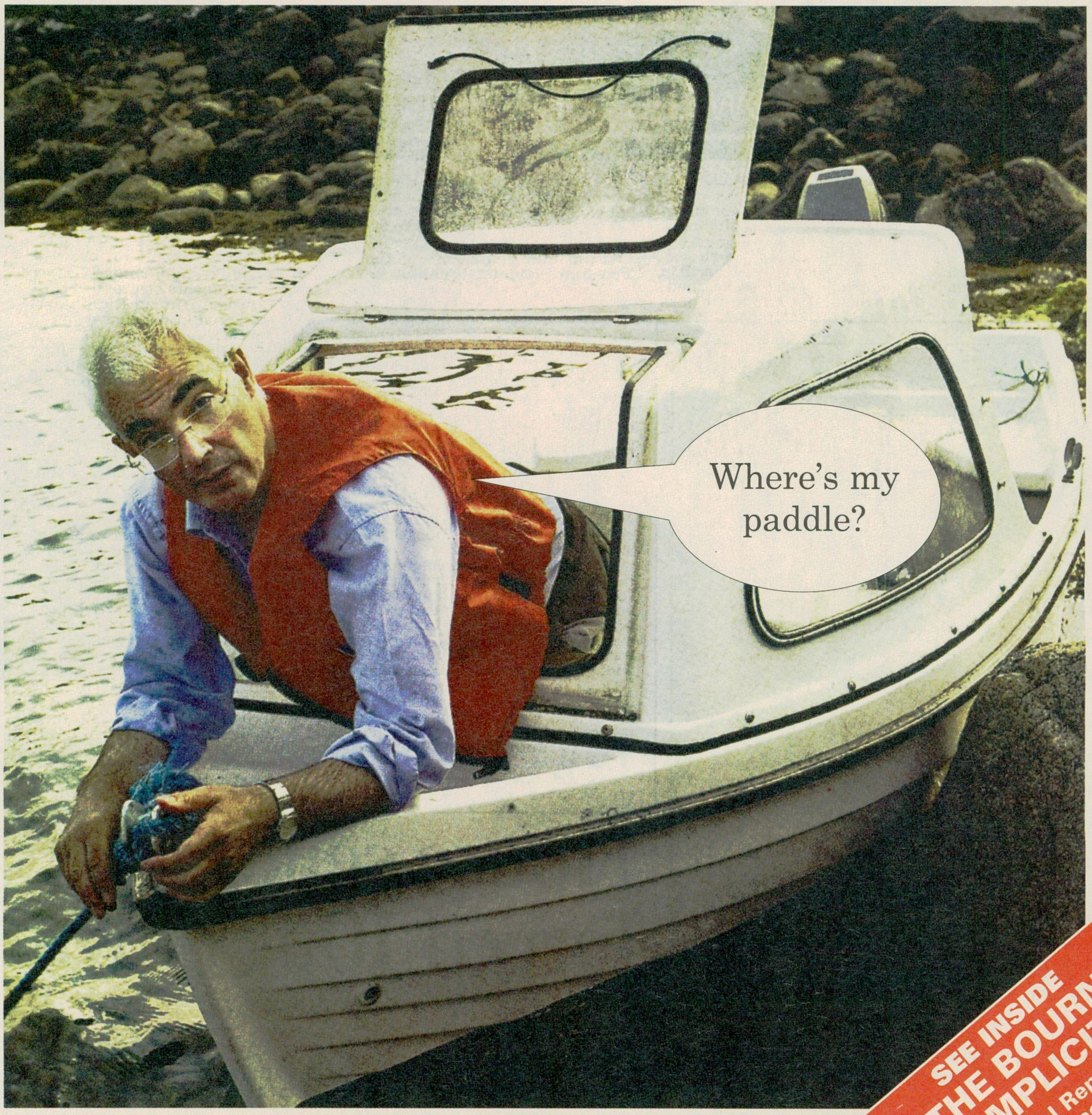

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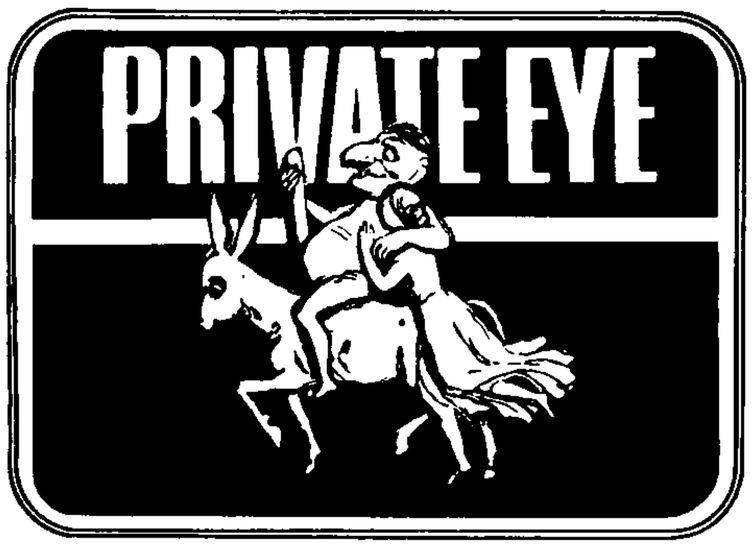

The Darling duds...

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WHILE Alistair Darling's forthright assessment of the economy has made the headlines, no attention has been paid to the Chancellor's equally remarkable comments on his own political history in the same *Guardian* interview.

As a student in the early 1970s, he claims, he had no political leanings. He ran for the student union presidency at Aberdeen University on a non-party ticket – "strictly bread-and-butter issues, things like food prices in the student refectory". After graduation he trained as a lawyer in Edinburgh, joining the Labour Party at the age of 23 in 1977.

Why Labour? "Just… I suppose, overall, I thought the Tories were unfair… The Labour Party just seemed to reflect my outlook on life – you know, that we were better working together – fairness, helping everyone to get on." But he was "never interested in the theory", just the practicality of doing things.

This political self-portrait has caused amusement among old Edinburgh comrades who remember Darling from the mid-1970s, in the years before he joined Labour, as a keen supporter of the International Marxist Group, British section of the Trotskyist Fourth International.

They are also puzzled by his claim that he was always a mild-mannered pragmatist. In fact, as a member of Lothian regional council in the 1980s he was a local-government leftie after the style of Ted Knight in Lambeth and Derek Hatton in Liverpool, sometimes imposing massive rate rises in defiance of Thatcher's rate-capping laws, sometimes threatening not to set a rate at all and to drag the council into bankruptcy. (Neil Kinnock referred to him as "that bearded Trot".)

When George Galloway was sent by Scottish Labour to plead with Red Ally, pointing out that the consequences of his defiance would be mass sackings of council staff and sequestration or jail for Darling and his chums, the future Chancellor denounced Gorgeous George as a "reformist" (*sic*).

Has all this really slipped his memory?

JUST FANCY THAT 1

"IT IS not clear why recent events should prove a trigger which significantly alters previous expectations of continued robust house-price growth."

So said leading Bank of England monetary policy committee member and author of the government's review on housing supply, Kate Barker. She was speaking in the wake of the Northern Rock collapse on 23 October 2007, since when house prices have fallen by around 10 percent.

WITH Russia's aggression throwing EU countries' oil and gas access into potential turmoil, Gordon Brown may feel he is on safer ground with his nuclear ambitions.

The PM (and his brother Andrew, who makes a tidy sum as head of press at French power giants EDF) will be keen to push through the planned new fleet of nuclear reactors in the UK. There's a small mushroom cloud on the horizon, though, in the shape of worrying news from Finland, where the same nuclear reactor that EDF wants to build in the UK (at an estimated price of £10bn for a job-lot of four) is running two years late and £800m over budget.

Greenpeace alleges that French contractor Bouygues used unqualified welders for the assembly of vital reactor components on the European Pressurised Water Reactor (EPR). Finland's nuclear safety authority has now given the welding the OK, but its assistant director Petteri Tiippana revealed in a TV interview: "A year ago there were clear defects in the so-called installation welding of steel reinforcements."

Work also ground to an expensive halt earlier this year at Flamanville, the reactor of a similar design in France, where inspection found a quarter of welds to be defective.

In 2006 the *Eye* reported that the average age of the 11,000 engineers and skilled personnel in the UK's nuclear industry was already over 50, with many set to retire soon and the sector not doing nearly enough to train a new generation. The concern was echoed in April by the Royal Society of Chemistry, which said that the lack of skilled workers would "put Britain's nuclear plans in jeopardy".

One can only hope that if the EPR ever reaches Blighty, the 17 percent hike in domestic electricity prices will help towards the costs of employing some qualified welders.

"Next, the swimwear category"

PUBLICLY owned development fund CDC, which was conceived more than 60 years ago with the aim of helping the poor in developing countries, has been investing in pariah territories operating "harmful tax regimes".

As the *Eye* has already revealed, CDC consistently gets its tax bill below five percent, thanks to some nifty financial planning taking in, at the last count, 33 subsidiary companies in tax havens. Now it seems many of those havens are less than squeaky-clean.

As part of the preparations for flogging off the fund management arm of CDC as private equity outfit Actis (*Eyes passim*), the then Treasury chief secretary Paul Boateng wrote in 2003 to the international development secretary, Clare Short.

"As a shareholder of CDC," he told Short, "you will wish to allow it to engage in using offshore tax regimes but only to the extent that these are legal and transparent and are entirely necessary for the delivery of the objectives we have set for CDC."

By the time of the fund management agreement between CDC and Actis a year later, the "entirely necessary" condition had become the less compelling "if the CDC board considers it appropriate".

Boateng's missive continued: "CDC should seek, however, to avoid… tax regimes listed as harmful under the EU Code of Conduct."

More than five years on, CDC holds investments through 12 companies established under "harmful" tax regimes, including half a dozen "international business companies" in the British Virgin Islands.

Back in 1998, CDC could boast over 400 projects in 50 different countries. Under New Labour, it appears to be focusing on very different numbers indeed.

JUST FANCY THAT 2

"Downing Street said it was 'totally relaxed' about Mr Darling's failure to address the question of leadership challenges."

– 31 August 2008

"Sir Menzies Campbell has told the BBC he is 'totally relaxed' about the battle apparently under way to succeed him as Lib Dem leader."

– 19 September 2007, less than a month before Campbell was forced to resign

NUMBER CRUNCHING

-12% Year's fall in violent crime trumpeted by Home Office press release in July

+19% Year's predicted rise in violent crime not trumpeted by Home Office in secret memo in August

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ABC

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NEWS

THE IT CLOUD

THE £80m Building Schools for the Future (BSF) cash available in North Lincolnshire comes with a catch. All schools that want to take part must hand over the entire running of their ICT systems to whichever private bidder wins the deal for constructing and equipping the new buildings.

One school is so unhappy with the idea that it is prepared to blow off a cool £14m in order to keep its perfectly serviceable old computer system. Tollbar Business and Enterprise College, in New Waltham, was due to get £13.9m from the BSF pot to rebuild the art and technology blocks and get rid of mobile classrooms. It is thought to be the first school in the country to turn down BSF cash.

Principal David Hampson said that, if necessary, the school would carry on in the existing buildings, "rather than sign up to an IT system which we consider would inhibit the progress of IT at Tollbar". The council's own "Overall Educational Vision" document describes the plan for a single, privately run, centrally managed IT system for all the local schools as a "relatively untried approach".

Tollbar is still in discussion with North Lincs, but in the meantime another local school has been promoted to the head of the queue for BSF cash.

Three consortia are bidding to be North Lincs' BSF partner, each including a company that wants to run the outsourced ICT service. The choices are Civica plc, Ergo Computing and, er, electronic warfare specialists MASS Consultants.

PS. Schools' spending on IT outsourcing will rocket from £18m this year to £151m by 2011, according to research published last week by public-sector research company Kable. It predicts an annual growth rate of 5.3 percent for schools' IT expenditure over the next three years, "largely due to the BSF programme".

Just how much of that spending will be on computer systems the schools would rather not have?

NUCLEAR FALLOUT

YOU might think the Eva Peron lookalike Barbara Thomas Judge had her hands full, what with being chairman of the UK Atomic Energy Authority while gracing the boards of some 40 other corporations and institutions. But you'd be wrong. The minerals company Murchison United NL is "pleased to announce" that the frisky atomic kitten has just become its deputy chairman.

It describes Lady Judge as "a highly experienced international executive", which is certainly true. In the past year this tireless gadabout has added three other foreign firms to her bulging portfolio of directorships – Massey in the US, Magna in Canada and Bekaert in Belgium. Murchison, which specialises in uranium exploration in Africa, is based in Australia, though it's listed on the London AIM as well as the Australian stock exchange.

Hadn't Murchison heard of the Curse of Judge (*Eye* 1214)? Well, it has now. Soon after her appointment the share price crashed by 13.3 percent in one day. Anyone who invested £1,000 in Murchison a month before her arrival would now be left with stock worth just £379. Attagirl!

Meanwhile, in another triumph for the Curse, Lady Judge had to resign last month as a director of Dawnay Day International after the £2bn property and financial services empire crashed into administration. Having burdened themselves with colossal debts, the company's co-founders Guy Naggar and Peter Klimt then gambled recklessly and disastrously on the share price rising. The scale of the problem was hidden by a vast paper-shuffling act, with interrelated subsidiaries busily paying one another management fees or providing inter-company loans – though of course it would be absurd to think that mere non-executive directors such as Barbara could have guessed it would end in tears.

According to Companies House, Naggar and Klimt had an astounding 539 directorships between them – an Olympic freestyle record that even the atomic kitten may be unable to beat. Still, at least she's trying.

Street of Shame

A SENSATIONAL scoop for *Sun* hack Virginia Wheeler on 20 August: "WORLD EXCLUSIVE. Perv Glitter is free and tells the *Sun*: I'm Coming Home."

Wheeler described how she "shuddered as creepy Gary Glitter stroked my arm and called me 'sweetie' yesterday" but nobly endured his attentions in the interests of a world exclusive. And it was well worth it: the peripatetic paedo revealed his plans to resume a music career and his fears that English weather might seem chilly after three years in a Vietnamese jail.

Where did this encounter between beauty and the beast occur? "The pop pervert sat by me on a flight from Ho Chi Minh City to Bangkok," Wheeler claimed. Strange, then, that in the accompanying photos of Glitter on the plane from Vietnam to Thailand there was no sign of Wheeler in the next seat.

She was, in fact, sitting in the front row of business class while Glitter was much further back. About 10 minutes before landing, the crew moved him forward to a vacant seat so he could make a quick getaway from the press posse. He was put three rows behind Wheeler – still quite a distance from which to fondle her arm. None of the hacks on the plane saw him touch her or speak to her at all.

Even so, Wheeler filed her "world exclusive" to Wapping. After reading what Glitter himself had allegedly told her – "I'm so happy to be going back to England… It's where my heart is and where my family are. I can't wait to see them" – the newsdesk ordered her to get on the Bangkok-to-London flight without delay as he was sure to be on it. While other hacks waited to see what happened, Wheeler duly checked in and boarded. Alas! Glitter stayed in Bangkok, feigning illness and trying desperately to avoid going anywhere near England.

The *Sun* hastily recruited a local freelance to cover the ensuing shenanigans while Wheeler commenced her 12-hour flight back to Blighty.

"Sorry, pal... I don't really go for ginger blokes"

"GET your summer wardrobe sorted all-in-one go," commanded the *Sun* online at the start of the season. "Jumpsuits are set to be this summer's essential item… Summer means a skimpier wardrobe – you'll be showing off your underwear as outerwear… Sexy lightweight dresses you can wear with a slip or just throw over a mega bright bikini."

Sadly, it seems some of the *Sun*'s staff took this advice a little too literally. "I have been asked by Rebekah to remind you all of the official dress code within the office," cautioned a stern email from online editor Peter Picton this month. "T-shirts/polo shirts/jeans of any kind are not acceptable. Jacket and tie for those who go outside the office and represent the *Sun* is a must but I am happy to be slightly more relaxed about jacket and tie in the office. Female dress should be smart and professional. Any beach or 'nightclub' attire will be unacceptable. Anyone arriving for work unsuitably dressed will be sent home and warnings will be issued. If you have any questions please ask myself or Graham Dudman the Managing Editor."

Rumours of a queue of ladies outside Dudman's office asking "Graham, is this top a bit too titty? And what d'you think of the earrings?" are thought to be exaggerated.

LAST WEEK, the day after Russia's parliament voted to recognise the independence of South Ossetia and Abkhazia, a *Guardian* editorial reassured readers that "at the moment, the threat is chiefly rhetorical, not least as it is the president, not parliament, who makes such decisions. Mr Medvedev is unlikely to rush to recognise the provinces…" It then explained at great length why this was so.

Hours later, Medvedev duly recognised the independence of South Ossetia and Abkhazia. Has Mystic Mogg taken a summer job in the *Grauniad* leader-writers' room, perchance?

THE *Guardian* took special delight in reporting the *Independent*'s woes – there is no love lost between *Guardian* editor Alan Rusbridger and *Indie* editor Roger Alton. "Cash crisis will force sale of *Independent*, says O'Brien," it reported on 28 August, referring to rebel investor Denis O'Brien. The *Grauniad* noted that half-yearly profits at the *Indie*'s parent company had "tumbled 35.6 percent at its UK unit" to £3.7m.

Alas, there was no room to put the *Indie*'s results into perspective by looking at the performance of other national papers. In its annual report, Guardian Media Group's newspaper division announced an eye-popping loss of £24.9m in the last year, up from £15.9m a year earlier, because of "increased investment and restructuring costs". Talk about a cash crisis!

Happily, *Grauniad* bosses can ignore such trifling considerations as making a profit because they are subsidised by its sister company, the hugely profitable *Auto Trader* business.

THOUGH age may weary him, the veteran *Mail* sports hack Jeff Powell hasn't lost the prescience for which he is famous (*Eyes passim*).

"It was bad enough that one British boxer failed to make the weight in Beijing, then that another expressed relief at being eliminated because he was homesick," Powell wrote. "Most embarrassing of all, however, is that so many losers in this overhyped team are blaming the judges and the scoring system for their defeats. Time to bring them all home?"

It was just as well that, as usual, no one listened to Powell. Five days after he suggested that its fighters be sent home, Britain was celebrating a boxing gold and two bronze medals – its best Olympic haul in the sport since 1956.

SUBS on *Grazia* magazine are a vengeful lot. Distressed by the treatment meted out to their compadres on the *Times* magazine by Giles "Fuck Fuck Fuck" Coren, they were overjoyed to be handed a lengthy motoring / travel puff piece by the great man – and told to butcher it by at least 500 words.

The heavily cut version of Coren's deathless prose about driving around Sussex in a Saab ("... onto the A286 follow signs to Midhurst" etc) – was eventually sent to press for the 1 September issue. Alas, in their haste, the subs neglected to call Giles by the C-word – and bylined the piece "Giles Goren".

Can another volcanic email be far behind?

BBRRNNGG! A man calls the *Mirror* newsdesk and tells them he has evidence of a well-known celebrity smoking crack cocaine – and he's willing to hand it over in return for a tidy fee!

Ding dong! Hack Stephen Moyes and snapper Harry Page are dispatched pronto to a suburban doorstep to meet their man. He invites them in. He is unable to produce evidence of a well-known celebrity smoking crack cocaine. What he does produce, however, is a large samurai sword. They swiftly agree to hand over their laptop, camera equipment and all the cash they have about their persons.

The man in question has since been arrested. The *Mirror* newsdesk may be asking themselves why they didn't follow the example of the *Sun* when he phoned them up with the same offer a few days previously – and offer to meet him in a city centre McDonald's instead.

"LET'S BOYCOTT COCAINE KATE," shrieked a headline in the moralistic *Mirror* after the paper printed photographs of the model Kate Moss snorting drugs three years ago.

Alas, the paper has never quite managed to overcome its own addiction. So it was that last week, 33 years after the paper's legendary agony aunt Marje Proops threatened to walk out if executives ran their own version of the *Sun*'s page 3, Kate Moss made her topless debut in the *Mirror*, her assets on full view across half of page 11 beneath the headline "Steamy Kate's a Turkish delight".

EXPRESS Newspapers chairman Richard "Dirty" Desmond has been making a fortune out of offering old bangers for prizes in his newspapers' expensive phoneline competitions for many years. But when it comes to buying brand-new cars, he drives a very hard bargain indeed.

In a rare moment of generosity, he decided to equip his team of sales reps with the brand-new "mean but green" Toyota Prius. The word "mean" obviously caught his eye. The Prius is exempt from the Central London Congestion Charge of £8 a day.

To secure the best deal on such an outrageous outlay, he nabbed *Daily Star* motoring editor George "Foul-up" Fowler. Bundling Motormouth into the back of his £200,000 Rolls-Royce (registration RCD1), Dirty Des instructed him to buy 17 of the £17,000 cars – but to make sure "you get an 18th free for me".

Once in the showroom, however, the billionaire chairman realised that buying fleets of cars was not his calling.

"I belong in the boardroom, not the fuckin' showroom," he bellowed and, sweeping through the glass doors, made his exit. The hapless Fowler was left alone to complete the deal – including swinging the free car for his boss – and dutifully caught the Tube back to his office.

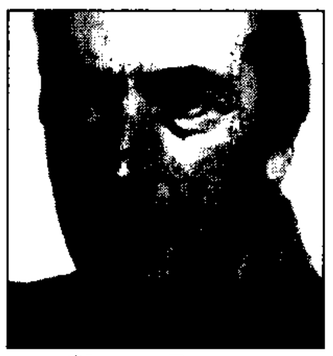
Meanwhile, *Daily Express* editor Peter "Mentally" Hill has been spotted riding a Dutch sit-up-and-beg bicycle around the paper's underground car park. The editor once enjoyed the privilege of a chauffeur-driven Jag on call 24 hours a day. When Desmond took over in 2001, Hill's driving arrangements were somewhat simplified by having him drive himself around in a Smart car. He is now down to just two wheels. What next? The likeliest answer is a Nimbus Inferno unicycle, retailing at just £178.

HACKWATCH

Simon Barnes

SIMON BARNES, chief sportswriter of the *Times*, is shocked by his readers' impertinence and ingratitude. During the Olympics he filed columns galore and a daily blog, yet some readers seemed unappreciative of his posturing narcissism.

"I suppose the problem is that some people can't come to terms with the idea that intelligent people like sport," the ponytailed pundit concludes, "and might want to read someone who tries to write about sport in an intelligent way. My attempts to do so have met with a bewildering hostility in some quarters." Bewildering indeed...



Simon Barnes

3 August. Barnes has arrived in Beijing. "This is the greatest sporting event in history," he reports, "so naturally all I want to do is create the greatest sportswriting that the world has ever seen." As he chases this theme through paragraph after paragraph, it begins to dawn that he isn't joking or mocking his own vanity. The Olympics are "about being the best you are capable of being. And every writer wants to be the best he can over the 16 days of the competition... a great event demands great writing". Like athletes, hacks feel the stress, "and like athletes we seek to alchemise this into the drive to make us reach beyond the levels we thought we were capable of".

7 August. As the opening ceremony looms, our man is in intensive training. "Reading is a vital part of it, as far as I am concerned," he reveals. "I have a raft of Chinese literature with me, some modern, some, like the poetry, improbably ancient." But music is no less vital: he spent last night listening to Bach's *Goldberg Variations* to induce a mood of "calm and beauty and perfection" before the big day. "Keeping your eye on the ball is essential, breaking the spell is equally important," he explains. "Staying in the zone matters, but then so does going walkabout."

12 August. The games are under way and Barnes is at peak intellectual fitness. After watching some swimming, judo and fencing, he realises that "sport is a universal language, and triumph is always triumph, and disaster is always disaster". All that poetry-reading is paying dividends.

14 August. Reaching beyond levels he thought he was capable of, Barnes asks "the obvious question" about Olympic swimmers: "I mean, what's happened to women's breasts?" The chests of female swimming champions used to have "lumps on them", but the new body-compressing swimsuits make them look flat-chested. Still, he finds some consolation: "Two of the Australian swimmers, Libby Trickett and Jessicah Schipper, had last-minute 'suit malfunctions', rather in the manner of the famous wardrobe malfunction of Janet Jackson at the Super Bowl." Tits out for Mr Barnes, ladies!

17 August. Was the men's 100 metres final the greatest race ever run? Barnes has no answer, being preoccupied with a far more profound question: was it his own personal best? "When the journalistic awards come around, we always dig out our coverage of the best stories of the year. So perhaps I'll choose my 100 metres piece; and then another on Michael Phelps. Maybe when I get to the velodrome tomorrow, I'll write an award-winner on the British cycling team's endless pursuit of gold. I'll certainly be trying to."

19 August. Yelena Isinbayeva wins the pole vault, and Barnes achieves a new personal best. "I have romantic feelings about things," he muses. "You know, dolphins, country pubs, three-day eventing, Emma Kirkby's voice, Japanese gardens... I also have romantic feelings about women." Which brings him to the pole-vaulter: "What's a chap supposed to do when a gorgeous woman in mascara, nail-varnish and a sarong shows him how unbelievably beautiful her body is? Particularly when she then removes the sarong to jump...?" Barnes's solution is to disguise "phwoar!" as a feminist rallying cry. "It's something to do with the Seventies, when feminism was a novel idea, something that most of the women in my life were committed to. Me too. The idea of women taking wing, soaring, coming into their own, finds a very strong response in me." Especially if they wear mascara and nail-varnish and take their sarongs off.

24 August. The finishing line is in sight. "We have all been working insanely hard," Barnes boasts. "My total Olympic oeuvre is the length of a very respectable novella."

25 August. Time to sum up. In a brilliantly banal *aperçu*, Barnes observes that the Olympics are about the quest for greatness. "At these Games I have turned myself into a greatness hunter, a tart for greatness." He found it in Michael Phelps, in Usain Bolt – and, of course, in Yelena Isinbayeva, not only a superb athlete but "a beautiful woman... a glorious emblem of all the aspirations of womankind".

So, at the last moment, he produces a truly original insight: who'd have guessed that womankind's highest aspiration was to be drooled over by a ponytailed poseur from the *Times*?

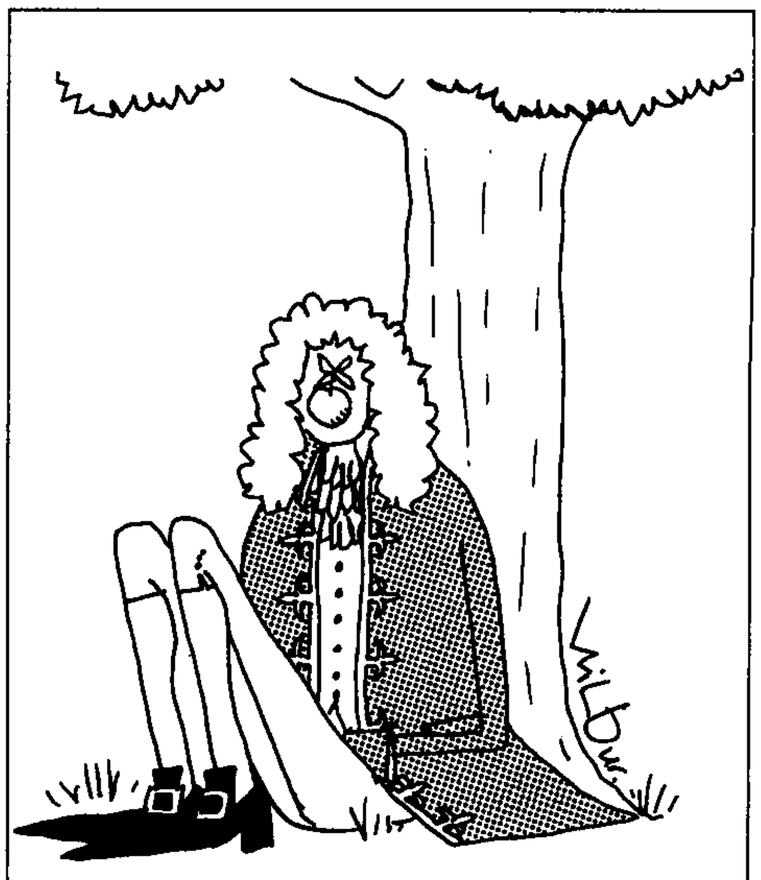
WHEN Trinity Mirror announced last month that it was cutting 65 editorial jobs in the Midlands and closing half its offices in the region, the company appeared to be offering extremely generous redundancy packages.

The "information" document handed out to hundreds of staff at meetings called to announce the "radical shake-up" included a redundancy offer of two weeks' salary for every one week worked, up to a maximum of one year's pay.

While this wasn't so good for long-serving staff who had dodged the axe of chief exec Sly Bailey several times in recent years, younger hacks quickly worked out that with just six months under their belts they could get out with a whole year's pay. Trebles all round!

Alas, two days later managers were telling staff that there had been a "misprint" and that the redundancy offer should have read two weeks' pay for every year of service. Disgruntled hacks are now seeking legal advice.

Meanwhile, Trinity Mirror is offering to boost redundancy pay-offs to a minimum of £3,462.50. Should all those who go receive the minimum, the total cost to the company will be in the region of £225,000 – a fraction of the £793,000 bonus paid to Ms Bailey this year.



Newton discovers Surrealism

MEET THE TORIES' BRUM CHUMS...

THE Conservative party conference will see Team Cameron entertaining a plethora of wealthy bedfellows from industry when it kicks off in Birmingham on 28 September...

The Arms trade ...

Labour have been too embarrassed to be seen mixing with the weapons makers, but if shadow defence secretary Liam Fox becomes a real minister all that will change. Fox is timetabled to speak for the Defence Industries Council, an arms trade group led by BAE Systems chief executive Mike Turner.

Fox shares the enthusiasm of the "Vulcan" wing of the US Republicans for military reaction to perceived threats, reflected in the title of another meeting he is addressing on "Resurgent threats: Terror, Russia and Iran?" The meeting is sponsored by yet another arms firm, EADS, who hope to sell loads of kit to a future Tory government.

The Greens ...

Cameron is fighting to make green a new Tory colour, but it's a very pale shade indeed. The Tory Green Initiative's first meeting at the conference is paid for by the British Cement Association and has cement lobbyist Mike Gilbert on the platform. The link makes the TGI look more l ike an industry-friendly lobby group than an environmental campaign. Hardly surprising, as the Initiative is run by Nick Wood-Dow, the boss of lobbying firm Chelgate, which assists clients from the construction industry who have problems with "disproportionate response from the community, or from pressure or environmental groups".

The poor ...

Shadow Treasury minister Mark Hoban is demonstrating the new Conservative interest in poverty with a meeting on the credit crunch, sponsored by Cattles plc, one of Britain's leading sub-prime lenders. Cattles makes millions through its "Shopacheck" loans to the low-paid that have APRs as high as 400 percent.

The lobbyists ...

Last year Tory MP Peter Luff was outraged that the Canary Wharf Group gave £120,000 to Labour while promoting Crossrail, the line that will improve access to Canary Wharf. Boris Johnson also backs Crossrail, and Luff will presumably be horrified that the Canary Wharf Group is paying the London Assembly Conservatives. The group is funding a political "speed dating" lunch, where delegates can meet "the most influential people in London politics, from London Assembly members to deputy mayors".

Elsewhere, shadow Treasury bod Mark Hoban is advertised as the top speaker at the "invitation-only financial services reception" of lobby firm Lansons, which makes a living from trying to influence politicians on behalf of big-money clients such as HBOS bank. It's easy to see why Lansons has invited a shadow minister to their party, but harder to see why Hoban would accept.

The list of curious sponsors goes on: shadow health minister Stephen O'Brien is speaking on problem drinking – sponsored by brewer SAB Miller. And Frances Maude, a key member of Team Cameron, is speaking on "Preparing for Power" – thanks to money from management consultants PriceWaterhouseCoopers.

... and the Labour ex-ministers!

Of course, the Tories aren't the only ones who know on which side their bread is buttered – three former Labour ministers will address the conference, getting in practice at sucking up to Cameron's crew. Former trade minister Brian Wilson was once a left-wing MP and enthusiastic supporter of Castro's Cuba; now he is chairman of the pro-airports lobby group FlyingMatters. Steven Twigg, the man once famous for defeating Portillo, and former Culture secretary Chris Smith complete the trio.

...AND LABOUR'S ETHICAL MATES

THE Foreign Policy Centre think-tank was founded by the late Robin Cook after Labour's 1997 election victory to further the ideals of his "ethical" foreign policy. A decade on, at this year's Labour conference in Manchester which starts on 20 September, the FPC is celebrating those ideals by organising meetings that look like the most naked lobbying for international big business.

Development minister Gillian Merron is talking about "Wealth creation: paving a way out of poverty" on an FPC platform funded by Coca-Cola, alongside Coke boss William Asiko. Coke want to talk about their charitable work in Africa. They certainly *don't* want to talk about trade unionists being killed in bottling plants working for Coke in Colombia, or Coke plants causing droughts and misery in India.

Environment secretary Hilary Benn is talking about energy and climate change at an FPC meeting paid for by Swedish energy firm Vattenfall, which runs several nuclear plants in Europe and is considering buying ailing UK nuke firm British Energy. Will delegates hear how the head of Vattenfall Europe was forced to resign last year after a series of incidents in their German nuclear reactors, including a power station fire and a plant closedown?

Internet gambling firm PartyGaming.Com are paying for an FPC meeting with EU commissioner Peter Mandelson and key Brownite minister Shriti Vadera to discuss "how governments and business should respond to renewed calls for protectionism in the EU".

Energy minister Malcolm Wicks will be talking about cutting carbon emissions on an FPC platform paid for by Rio Tinto, one of the world's leading coal mining firms.

Last but not least, Lord Kinnock will be speaking about the credit crunch in a meeting funded by accountants KPMG. Would that be the same KPMG accused of fuelling the crisis in the US when they passed audits of New Century Financial, a subprime mortgage lender whose collapse helped spur the credit crunch? Indeed it would.

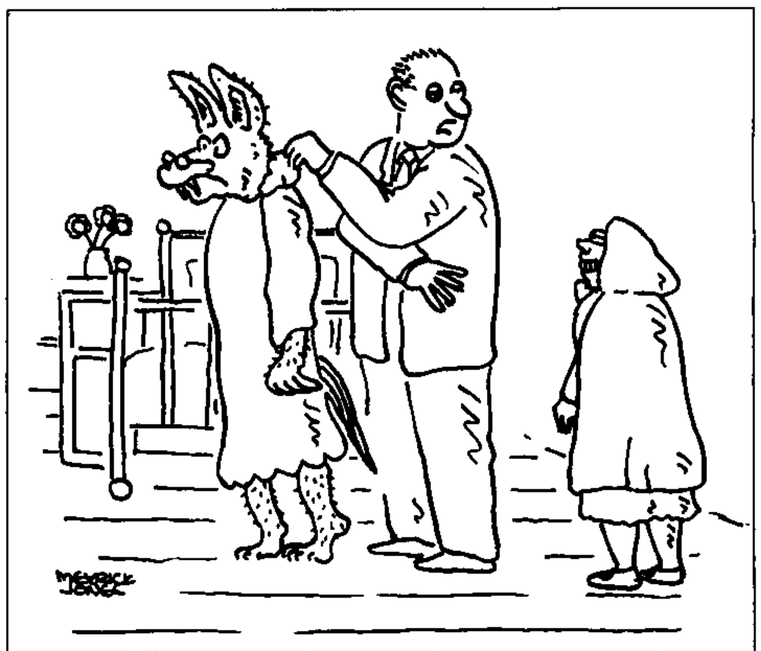
A RUBBISH APPOINTMENT

HILARY ARMSTRONG is the latest Labour MP to protect herself from the coming cold winds of opposition with a corporate appointment.

The former "minister for social exclusion" is determined not to be socially excluded herself when Labour loses power, so in July she became "chair of advisory board" of privatisation specialist Sita UK (*Eyes passim*).

Sita, a subsidiary of French multinational company Suez, has rubbish collection contracts with councils across Britain. When it had a long-running dispute with Brighton's bin men in 2001, it sacked more than 100 staff, leading to a strike which ended with the firm paying compensation to the council and being kicked out of town. It still gets into scraps with GMB members – in February, Bristol's bin men were set to strike until Sita gave in and increased its low pay offer.

Sita also runs waste and incineration sites.



"Thank you little girl. Benefit fraud costs the country millions of pounds every year."

Last month Labour MP Ronnie Campbell asked the government to close down a Sita-run landfill after a petition from his Blyth, Northumberland, constituents complained about noise, dust, smells, flies and traffic. In Cornwall, there is an active campaign against Sita's proposed "Energy from Waste" plant – effectively another rubbish incinerator – that also generates power.

Despite Sita's unpopularity, Armstrong's appointment looks set to solidify Labour support for the firm. She resigned from the Cabinet when Tony Blair stood down but is still influential in Labour circles. Gordon Brown put her in charge of some parts of the next manifesto, which means Labour's policies are being drawn up by an employee of a French privatisation company.

A SICK NOTE

THE Department for Work and Pensions has been citing seemingly impressive figures for its Pathways to Work programme, aimed at getting the long-term sick off benefits and back into employment. A press release boasted: "A South Tyneside programme has been hailed a success after helping more than 3,800 long-term sick and disabled people into jobs."

It did not reveal that the programme cost £9m, took three years and covers a huge area stretching to the Tees with around 66,000 people on benefits. Furthermore, the DWP has been forced to admit it has absolutely no idea how many of those 3,800 are still in work. It could only cite Policy Studies Institute research showing a 7.4 percent increase in the numbers of those on benefits subsequently employed in Pathways to Work areas, compared to other areas. Lots of money for a very small improvement. Not so impressive after all.

QUITE LATE NEWS

BIG 4 beancounter Ernst &Young, soon facing a disciplinary tribunal over its role as auditor to the collapsed Equitable Life and adviser to thousands of companies on complying with corporate law, might be expected to be punctilious in its own affairs these days.

Alas, records at Companies House show that the highest of standards have once again deserted the firm. Both the main operating outfit Ernst & Young LLP, owned by more than 400 of the country's finest beancounters, and a subsidiary operation, Ernst & Young Ltd, are several weeks late filing their annual returns.

These failures are criminal offences for which top E&Y suits could be prosecuted, but there seems little chance of that. The government department responsible, Business Environment and Regulatory Reform, is a regular user of E&Y's consultancy services and employs a couple of its staff on secondment.

QUOTE OF THE WEEK

"My wife never liked going down in the very low seat of the XJS."

– John Prescott, p14, *The Times*, 13/8/08.

ROTTEN BOROUGHS

HAO DO YOU DO?

INSPECTOR KNACKER is peering into a bag of documents which may shed light on why Tory-dominated Thanet council is so keen to plonk a 3.5m sq ft Chinese-owned business park on a greenfield site above the area's aquifer.

Knacker was handed the bag after it was sent anonymously to a local blogger. The contents related to a council "fact-finding" trip to China last November and had evidently come from the offices of Commercial Group Properties (CGP), which is pushing the controversial China Gateway development at Manston in partnership with the Chinese government's outward investment arm, Chinamex.

At the time the council assured locals that the trip was organised and funded by Beijing, not CGP. Knacker may reach a different conclusion. For example, a copy of a CGP email confirming room reservations in Hong Kong shows them booked on a CGP employee's credit card. Another document, evidently minutes of a CGP board meeting, states: "By travelling with members of the council and paying their expenses the company could be accused of trying to obtain planning consent in respect of its various projects by unfair means." Mmm, good point! But this is answered in the very next sentence: "KW [CGP boss Ken Wills] confirmed that every action was being taken so that this impression was not given" ... with the handwritten addendum "and reimbursement by Chinamex should be forthcoming".

There's more. A scrawled note of thanks to Chinamex chairman Feng Hao transforms miraculously into a formal letter on council-headed paper from council leader Sandy Ezekiel. A letter from Ezekiel's carpet business offers to carpet CGP's offices "at a discount of 20 percent".

Another handwritten note, ostensibly to council chief executive Richard Samuel, reads: "Upon reviewing your hotel bills for the trip to China I would like to thank you and your three colleagues for keeping the expenditure down to a minimum by, for instance, not using the in-room minibar ... If you or your colleagues have any bills for out-of-pocket expenses, please could you forward them to me for dealing with immediately."

It is surely coincidence that CGP, which wants the council to erect signs on its borders saying "Welcome to Thanet – Home of Chinese Globalisation", has dropped its plans to drain foul water into cesspits since these documents came to light, and has declared itself after all in favour of the Environment Agency's recommendation that it spend £600,000 on mains sewers to prevent contamination of drinking water. Even stranger, Thanet's planning committee mislaid its customary rubber stamp last month and narrowly voted to defer the decision to a full meeting of the council later this year.

● YET another council has fallen for Westminster council's carpetbagging PR team's shtick – and ended up with a huge bill.

Westminster, in the form of former Tory spinner Alex "Chicken Wrestler" Aiken (*Eyes passim*), was brought in last year to prepare a report on Lib-Dem Sutton council's communications department. Aiken's report slagged off the in-house team as "below benchmarks". Seven of the eight employees duly left and were replaced by staff from, er, Westminster. At the time, Cabinet member Tony Brett Young said the new arrangement would not cost "more than we spend at the moment".

FACT: Sutton's communications bill in 2007-08 (old team) was £379,000. The cost in 2008-09 (new team) will be £573,600. Just fancy that!

OIL BE SEEING YOU

TURMOIL in supposedly oil-rich Aberdeen, where years of mismanagement have come to a head with the city council being forced to make more than £49m of cuts in this financial year. Up to 1,500 jobs could be lost.

Earlier this summer chief executive Douglas Paterson resigned after 13 years in charge. Scotland's Accounts Commission has damned the council for poor leadership, running over-budget and plunging staff morale. It has ordered a hit squad of officials from other councils to help guide the city out of its mess.

The Lib-Dem/SNP ruling administration has called in the cavalry in the form of, er, Bob Coomber (*Eyes passim*), former chief executive of the London Borough of Southwark, who becomes interim chief executive on £1,000-a-day plus expenses (for a four-day week) until a new chief takes over in December. Coomber left Southwark two years ago, leaving a series of planning and race scandals behind him and clutching a £200,000 payoff and a six-figure pension – so he could obviously do with the readies.

Meanwhile, the council has started work on its flagship project: a new headquarters in Marischal College, "the second largest granite building in the world", rented on a long lease from Aberdeen University. The council plans to spend £80m on its refurbishment. Trebles all round!

● WHEN the Labour leadership of Rotherham council finds itself in a hole, its response every time is: "Carry on digging"!

Earlier this year we reported on the case of Cllr Peter Thirlwall, who had annoyed local party bigwigs by speaking out against the amount the council was spending on junkets (*Eyes* 1210 and 1213) and by speaking up for the residents of Bramley, a village where the council imposed a controversial one-way system... which turned out to be the wrong way round. The leadership's response, at a kangaroo court in July, was to withdraw the party whip from Thirlwall for six months "for bringing the party into disrepute" – a task in which, surely, they needed no assistance from him.

Thirlwall, who has overwhelming public support, has appealed to the regional party's appeals process. A chance for Labour to do the right thing for once? Don't bet on it. Should his appeal be rejected, Thirlwall tells the *Eye*, he intends to stand as an independent against sitting Rotherham MP Denis MacShane at the general election. Hurrah!

PARK LIFE

MILLIONS of pounds of public funds are to be used to help a private company turn Britain's first-ever country park into a golf resort.

Elvaston Castle country park, comprising a grade 2* listed gothic revival mansion and more than 300 acres of parkland in Derbyshire, was the first country park to be purchased under the 1968 Countryside Act, intended to safeguard open spaces for future generations. More than 600,000 people visit every year.

Now Derbyshire county council hopes to get shot of an estimated £3m repair bill for the castle and the annual £500,000 spent on the grounds. It plans to turn Elvaston into a luxury hotel with wedding and conference facilities, along with bars, restaurants and swimming pool. Continued public access will be assured – as long as the public buys gym membership or pays to eat in the bars and restaurants.

The grounds are to be converted into two golf courses. Twelve acres of a nature reserve will also have to go.

After the usual loaded public "consultation" exercise, the public consulted itself in the form of a 60,000-name petition in opposition. Nevertheless, Derbyshire announced its "preferred partner", Highgate Sanctuary Ltd. Director Tanya Spilsbury's father is Brian Ashby, head of commercial property firm Norseman Holdings.

The council protests that it is not selling Elvaston – but a 150-year lease will see us all out. Once the planning permissions are in place by spring 2009 it is hoped that Highgate Sanctuary will provide an estimated £2.75m match funding (along with a peppercorn rent for the lease) so the council can resubmit its bid for millions more pounds of public money to the Heritage Lottery Fund to "restore" the castle and grounds for the benefit and profit of... Highgate Sanctuary.

We have been impressed by the approaches taken in Lewisham to achieve imporvment in standards in schools...

Letter from Ed Balls, Secretary of State for Schools, to Steve Bullock, Mayor of Lewisham, 31/7/08

LEVELLING THE PLAYING FIELDS

IT WAS inevitable that after the Olympics Gordon Brown would announce new funding for school sports to "inspire fitness and help tackle obesity".

It all sounds rather hollow to hundreds of youngsters who could only peer at their playing fields through 6ft fences this summer, rather than improving their skills and keeping fit.

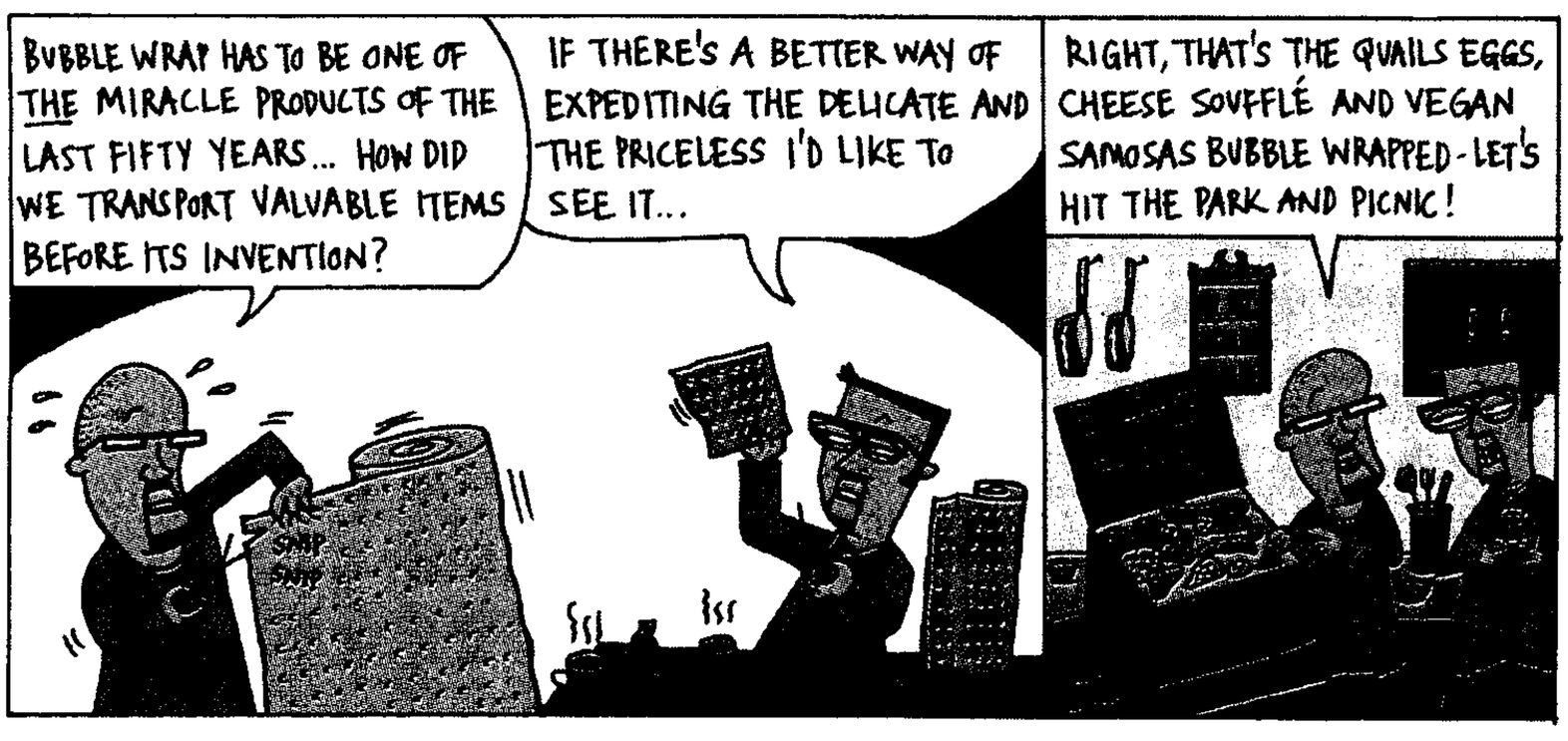
For more than 40 years local children have used the playing fields of Widewell School in Plymouth out of school hours for casual games and weekend team sports. Indeed, in 2002, following a campaign by residents, Plymouth city council voted to re-designate the land as a public park.

Yet before this summer's school hols began, the five hectare field was fenced off and the gate padlocked. The Plymouth *Evening Herald* now reports plans to put five new school buildings on the site.

It turns out that despite the council vote the land's status was never officially changed. When Widewell became a "trust school" last year, it completely took over the ownership of the land – so goodbye playing fields.

IT'S GRIM UP NORTH LONDON

KNIFE & PACKER


BUBBLE WRAP HAS TO BE ONE OF THE MIRACLE PRODUCTS OF THE LAST FIFTY YEARS... HOW DID WE TRANSPORT VALUABLE ITEMS BEFORE ITS INVENTION?
IF THERE'S A BETTER WAY OF EXPEDITING THE DELICATE AND THE PRICELESS I'D LIKE TO SEE IT...
RIGHT, THAT'S THE QUAILS EGGS, CHEESE SOUFFLÉ AND VEGAN SAMOSAS BUBBLE WRAPPED - LET'S HIT THE PARK AND PICNIC!

TV

Wogan's Perfect Recall (C4)
What Are You Like? (BBC2)

WITH Carol Vorderman having walked off *Countdown* after being asked to cut her wedge to a mere hundred grand or so, that granddaddy of panel shows faces an uncertain future.

Thus the search is on for new contenders in the genre. Vital to these will be presenters who won't sniff at a couple of thousand a show.

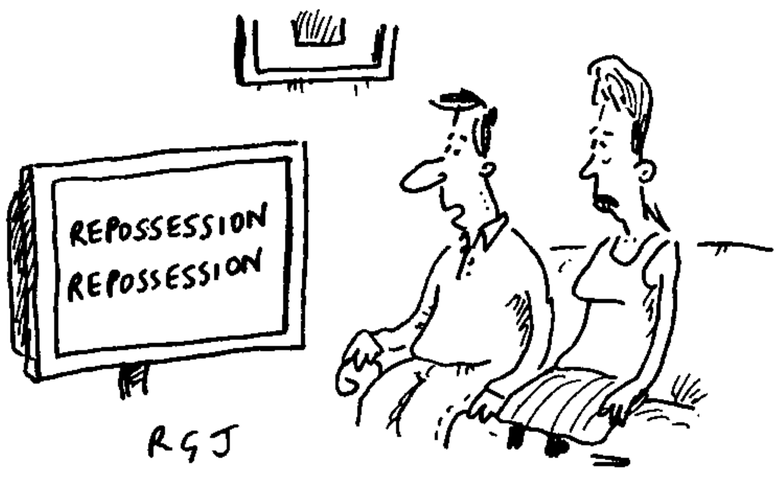
With his high six figures from Radio 2 (and those Tesco voice-overs as well), Terry Wogan doesn't need the money, but he is very keen to be on television. The BBC recently ended his exclusive TV contract and this miffed Tel so much that his last two volumes of autobiography – and all the interviews to promote them – contained lengthy jeremiads about the idiots who run telly at the Beeb.

As with his brief morning chat show on Five, Wogan's decision to pop up on Channel 4 hosting *Wogan's Perfect Recall* is calculated to annoy Jana Bennett and Mark Thompson. That's a perfectly noble ambition, but the problem is that the series will also irritate and depress anyone else who watches it.

The opening episode had possibly the most egotistical introduction in broadcasting history. "Do not adjust your sets – it is I, Wogan," cried the host, anticipating general astonishment at his presence on a commercial network. Seeming also to assume that the audiences would consist exclusively of listeners to his Radio 2 show, he reprised his morning blarney, with lots of cosy surrealism about his age and the format of the show.

Unfortunately, in proving to his old bosses that he's still marketable on the box, Wogan is presiding over possibly the dumbest quiz show ever constructed. Presumably having watched recent game shows in which contestants are humiliated, the producers have come up with a show capable of being played by people who know nothing.

In the opening round, a set of soft-lob questions establishes a bank of 20 words, dates and names which are then re-used as the answers to all the remaining posers in the show. So the key to success is not thinking but choosing a response from the pool – guessing, if necessary. So, as with one of the multiple-choice papers so popular with examination boards, even the dimmest participant has a chance of picking the right one occasionally.



"It's a new show where Phil and Kirstie revisit all the people they encouraged to buy expensive properties"

Throughout the half-hour, Wogan makes a song and dance about the "£100,000 prize" on offer but, when we get there, we discover that it's almost impossible to take the full Vorderman. Final-round contestants have to bet on how many of the 20 questions they will get right: if wrong, they lose out on the cash. As high bets are likely to be punished, players automatically aim low and the TV company keeps its cash – which, notoriously, is the point of TV quiz shows these days. Wogan gets to make his point to the BBC chiefs, but otherwise it's pointless.

What Are You Like?, the quiz show launched by the Corporation on the same day, stands as an example of the work that the BBC isn't prepared to give to Wogan. Instead, they've chosen to employ Fiona Bruce, probably as part of the consolation deal (also including *Antiques Roadshow*) for being squeezed out of *Crimewatch UK*.

As with Channel 4's effort, you can almost smell the sweat of the desperate interns sitting in rooms trying to come up with a new type of quiz show. *What Are You Like?* is a sort of C-list celebrity twist on *Mr and Mrs*, in which the contestants have to guess what someone else would answer.

So an Aled Jones or Anthea Turner, sitting at a desk in the studio, has to anticipate the response that a Vanessa Feltz or Dickie Bird has given to a social dilemma put to them on a pre-recorded tape. There's a theme each week: generosity, in the opening show. If Feltz were watching telly with friends and there were one chocolate left in the box, would she eat it or offer it around? If Bird won a windfall, would he keep the cash himself or share it with relatives?

As Feltz is fat and Bird a Yorkshireman, there's an attempt to trick the contestants into a stereotype, but even the level of panellists they've tempted to take part can quickly work out that the way to play is to anticipate that the guests would try to avoid being pigeonholed and so go for the least obvious answer.

Bruce keeps breaking out the startled smile that she seems to think is seductive and, in what seems to be an unwise homage to *Celebrity Squares*, madly beaming people you can't quite put a name to keep waving from spangly squares. It's the sort of show in which you keep thinking that Christopher Biggins is going to be on next. Yes, as bad as that.

There may be a need for new quiz shows but, emphatically, neither of these is the answer.

'Remote Controller'

MEDIA NEWS

MUCH mortification at the "diversity aware" BBC, where hundreds of staff are to be sent on disability awareness courses after a senior editor refused to let a blind reporter appear on BBC1's flagship 10pm News.

Senior managers have tried to hush up the story of how experienced political correspondent Gary O'Donoghue was paid a sum believed to be in five figures to call off an employment tribunal hearing this summer which would have exposed the hollowness of the Beeb's much-vaunted diversity policies.

On Friday 3 August 2007, the day news of last year's foot-and-mouth outbreak broke, O'Donoghue, who has worked as a senior BBC reporter on national radio and TV for more than 15 years, was duty "pol corr" on the late shift at Westminster. In the course of the evening he phoned contacts who told him that prime minister Gordon Brown was cutting short his holiday to deal with the crisis and had already chaired a meeting of the government's "Cobra" emergency committee by telephone.

It was decided to make O'Donoghue's story the lead item on the 10pm bulletin. The only problem was the programme's deputy editor, Daniel Pearl, didn't want O'Donoghue, who is obviously blind, to deliver it – saying he wanted to see a "proper pol corr" on screen. With barely half an hour to go before the programme began, O'Donoghue's colleague Jo Coburn, who was on a day off and watching TV at home in her pyjamas, was summoned to Westminster to relay O'Donoghue's story to the viewers.

O'Donoghue is a very experienced broadcaster who, colleagues say, has come across similar discrimination before but let it pass. On this occasion he complained. Senior managers, including head of TV news Peter Horrocks, made sympathetic noises but did nothing. Only after the National Union of Journalists helped O'Donoghue submit a complaint to an employment tribunal, claiming that the Beeb had breached the Disability Discrimination Act, did senior managers come out of their state of denial.

O'Donoghue has been paid thousands of pounds to keep schtum, while thousands more will be spent training hacks and managers to be more "aware" of disability issues.

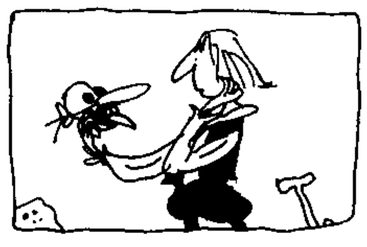
And Daniel Pearl, the editor who didn't want to see a blind man on TV? He's tipped to become the next editor of *Newsnight*. Trebles all round!

"THE professional game must now sharpen up its act," declared the Sky Sports News channel at the close of its "State of the Game" investigation into violence on football pitches last season.

"We asked a range of counties across the country how many assaults on referees they have recorded. In London the number was as high as 39 already… It seems that in many cases, players view referees as an opportunity at which to hurl the kind of aggression that simply wouldn't be acceptable in any other walk of life."

Anyone can see that the impressionable folk who follow football closely only imitate their idols. Why else would the recent Sky Sports party to celebrate the new Premier League season have ended with two members of the technical department being reported to police for assaulting one of their colleagues and leaving him with a broken jaw?

LUVVIES



"In real life I'm all over the place emotionally. I cry terribly easily. Just a minute ago I was reading an article about Kate Winslet and I love her so much I started crying, realising how great she is and how far I have to go."

ANNE HATHAWAY

Submitted by Ali Catterall.

An occasional column devoted to gems from the acting profession. £10 paid for entries.

Brown calls for Russia withdrawal
Gordon Brown joins calls for Russia to withdraw from Georgia, in a phone call to the Georgian president.
· Bush condemns 'bullying' Russia
· Day-by-day: Georgia crisis
· Russia warned over 'Soviet past'

BBC website

DUMB BRITAIN

The Weakest Link, BBC1

Anne Robinson: In nature, what invertebrate has a variable number of limbs but a name that literally means "one hundred feet"?

Contestant: Giraffe.

Galaxy Radio, Leeds

Presenter: What was the date of the Battle of Hastings?

Contestant: Ooh! Er.... was it 1974?

Are You Smarter Than A 10-Year-Old?, Sky Two

Contestant: I think I'll try "Age 6 Maths".

Presenter: Add the number of Goldilocks' bears to the maids a-milking your true love sent.

Contestant: There were three bears... and I think there were eight maids. Let me see, three and eight is eleven... er... I think. I'll check. Can I borrow your fingers?

NUMBER CRUNCHING

£15,000 Damages awarded to George Galloway MP after being accused of anti-semitism by an online Jewish community radio station (which has since closed as a result)

36 Number of listeners to the show in which the accusation was made, as part of a comedy sketch, for which the presenter was immediately sacked

"It's just the usual cock-ups and out-takes from suicide videos"

AILING breakfast-television franchise GMTV never ceases to amaze. It stays in business despite multi-million-pound telephone frauds, it risks employees' lives by sending them undefended into war zones, and its fearsome reputation for bullying staff keeps lawyers busy (*Eyes passim*).

But perhaps the most bizarre act of its many years of idiocy has been the promotion of personnel "expert" Craig Thomas to the sublime post of human resources director.

Thomas, who has never let his lack of experience in 24-hour news influence his judgement, endeared himself to GMTV hacks by suggesting that journalists were slacking on night shifts because they did not appear to work as long or as hard as their daytime companions. "Once you're out of the newsroom at 10am, you can relax by going for a walk through the park," was one of his more toe-curling remarks.

The bloodshot-eyed minions replied that taking a stroll after a night shift was actually called "sleepwalking". Not that Thomas has actually done a night shift at GMTV – he did send along his deputy to observe, but they had to go home five hours early at 5am in a state of exhaustion.

Thomas's latest wheeze caused another collective groan of disbelief among the hardened GMTV hacks: "It's here – staff assessments!" The massive defection of audiences to the BBC, who realised that the Olympics were what news editors call a "big story", has prompted a big GMTV savings drive, with new working practices (aka job losses) scheduled to start in January, just after departing presenter Fiona Phillips has done her last interview. Doubtless the staff assessments will prove to be the longest career suicide notes ever written by British hacks.

AD NAUSEAM

WHEN a company hits tough times, the ad budget is always one of the first things to go.

TV ad revenues in the UK are down 12 percent across all networks year-on-year, which suggests, as you'd expect in the current economic downturn, that many companies are short of a bob or two.

Bucking the trend spectacularly, however, is the energy sector. Collectively, the big six – British Gas, EDF Energy, E.ON, Npower, Scottish Power and Scottish and Southern Energy – have increased their marketing spend by 25 percent in the first six months of this year. Coming at a time when gas prices for consumers have risen by 28 percent, you might wonder why, especially as the energy suppliers have been so keen to tell us that vast profits reaped on the back of rising oil prices are financing investment, not propaganda.

EDF, for one, defended their increased marketing spend, saying energy had "moved from being a commodity to being a brand". Unfortunately for those unable to afford EDF's energy prices, a "brand" doesn't keep people warm.

GREAT excitement in Adland with the news that Microsoft has signed up comedian Jerry Seinfeld to front a $300m marketing campaign in the autumn.

The gargantuan splurge comes in response to their competitor Apple's successful "I'm a Mac, I'm a PC" series of slots, which presents Mac computers as languidly cool cats in contrast to dull, out-dated PCs.

Seinfeld is to be paid $10m for a wry smile and a one-liner or two, but he'll have to be pretty darned funny gadding about with that other comedy firecracker Bill Gates if he is to be worth the money. Seinfeld's eponymous sitcom was a TV classic, but that was in the 90s – also Microsoft's heyday. These days, *Seinfeld* resides some way from the cutting edge and has been superseded by younger, more edgy names – just like Microsoft.

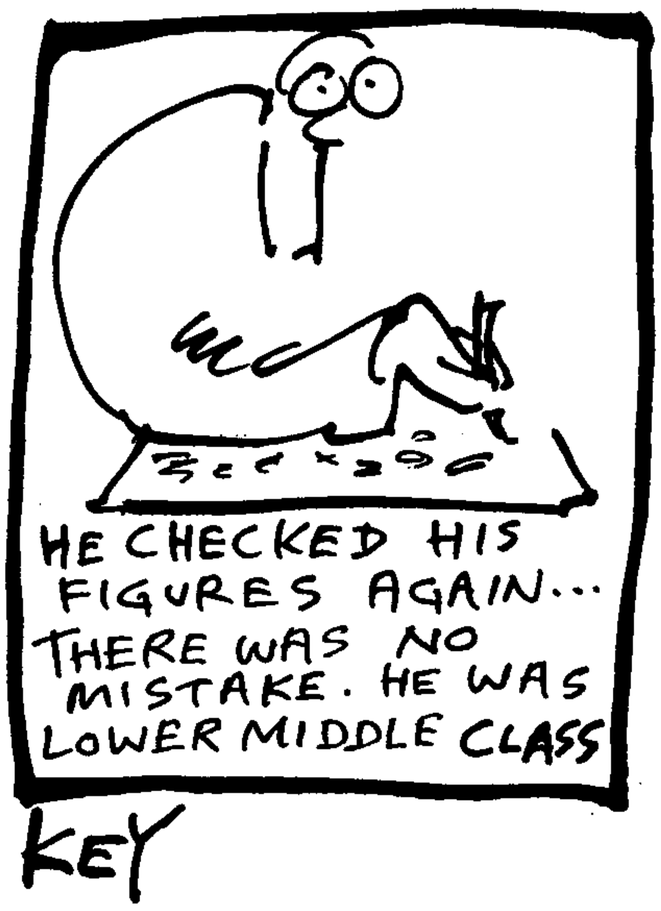
Anyone who does remember the sitcom, moreover, will recall that *Seinfeld* used various Apple Macs throughout its nine seasons. And famously, in Adland, the final *Seinfeld* ad break featured a specially-made version of Apple's "Here's to the Crazy Ones" spot, which showed stirring imagery of free-thinkers from Einstein to Gandhi, before finishing with … a young Jerry Seinfeld.

BBC News

"A WHITEHALL counter-terrorism unit is targeting the BBC and other media organisations as part of a new global propaganda push designed to 'taint the al-Qaida brand'," the *Grauniad* revealed last week in tones of apparent outrage.

Whitehall's sinister spin operation was intended to spread the word that "al-Qaida is losing support" and "expose tensions between leadership and supporters". The paper drew attention to a recent Radio 4 programme by BBC security correspondent Frank Gardner about al-Qaida's waning appeal to jihadists.

Before throwing any more stones the *Guardian* ought to recall that the propaganda push actually originated with the CIA in May 2008, when director Michael Hayden suddenly announced that al-Qaida had been essentially defeated in Iraq and Saudi Arabia and was now "on the defensive throughout much of the rest of the world". This line, attributed to "analysts", was dutifully repeated in a story published on 30 May which claimed that "al-Qaida is on the back foot". Its author? Ian Black, Middle East editor of the *Grauniad*.



NUMBER CRUNCHING

240,000 Population of New Orleans, whose evacuation ahead of Hurricane Gustav has been exhaustively documented in UK media

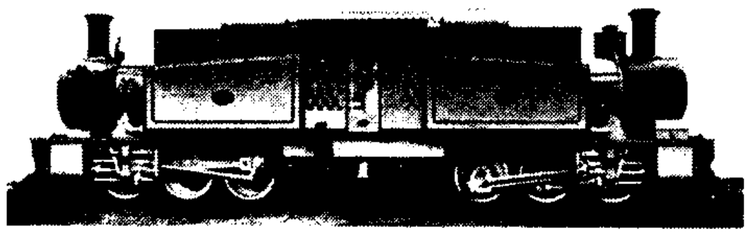
1.25m People in India and Nepal made homeless by floods in past month, whose plight has not been exhaustively documented in UK media

SUPERMODELS

KERBER

LIFESIZE GOLD KATE MOSS STATUE CREATED!
MY GOD— IT MUST'VE COST A FORTUNE TO BUILD!!!
Creator
YES. THERE'S NEARLY HALF A MILLIGRAM OF GOLD IN THERE!

SIGNAL FAILURES



CrossCon-try

THE rail industry has the law on its side when passengers are caught travelling fraudulently, but what happens when the rail industry rips off passengers?

In May, Arriva CrossCountry contributed to the much-hyped simplification of rail fares with new ticket restrictions (*Eye* 1211) for the morning or evening rush hour. ACC also raised fares by seven percent in January and three percent in May; Arriva has now declared UK rail profits of £14.8m for the first half of 2008 (compared with last year's £1.1m, before Arriva took over CrossCountry).

Despite the supposed "simplification" of fares, ACC, whose trains run on tracks mainly used by other franchises, applies different restrictions to those franchises.

For example, an ACC-managed cheap day return is now invalid between 3.30pm and 6.15pm, but no such restriction affects day returns managed by other franchises running on the same tracks. How can passengers tell if their fare is managed by ACC or another franchise? Er, they can't.

Fares expert Barry Doe reported in *Rail* magazine how one passenger travelling from Sheffield to Long Eaton boarded an ACC train in the early evening. The passenger's cheap day return was valid on that train because fares between those stations are managed by East Midlands Trains – but the ACC guard told him to buy a full-price ticket from Derby to Long Eaton, as if he were a fare-dodger.

If a passenger in these circumstances refused to pay for a second ticket, it's a fair bet PC Knacker would assist in removing them from the train for, in effect, resisting theft (police once hauled a businessman off a Virgin train after he asked a steward to wipe his table – *Eye* 1163).

Training guards to memorise all fares subject to ACC's restrictions would be a tall order. To ensure consumers are fully informed when choosing tickets, ticket office staff across Britain need training to explain ACC's restrictions every time they sell a relevant ACC fare, and self-service ticket machines must flag up ACC's anomalies before purchase.

The alternative to all that – conning the consumers who have no way of knowing they're being conned – is on a par with builders overcharging confused pensioners for minor repairs. It has been perpetrated by a company chosen by the government to receive £1bn of subsidy, but ministers – determined to squeeze 80 percent more cash from rail passengers by 2014 – haven't condemned it or told ACC to stop.

PS. From Sunday 7 September there'll be another "fares simplification", promised for years by ministers. This time cheap day returns are simplified… but ACC hasn't announced an end to its baffling new restrictions. The Association of Train Operating Companies says: "Passengers have told us that they want a simpler fare system. We are listening and responding." Yeah, right.

LABOUR crows about better punctuality to justify the fragmented, franchised rail network. So Britain's most punctual train operator is a national embarrassment – it's still unified and state-operated.

Almost 96 percent of trains on the Tyne & Wear Metro arrived within three minutes of advertised times in 2007-8, as measured at almost one in three Metro stations. The best the franchised network could manage was 95 percent of Chiltern Railways trains arriving within five minutes of advertised times, as measured at final stations only (and Chiltern hedges its bets by allotting trains 13 to 16 minutes for the last leg from Wembley Stadium to Marylebone, compared with nine minutes from Marylebone to Wembley).

While Network Rail has received huge subsidy and run up a £20bn debt to renew the tracks used by franchisees, Metro infrastructure has been creaking for years. Now the government has agreed to a £300m upgrade – but Metro operation must be split from infrastructure and franchised.

'Dr B. Ching'

MEDICINE BALLS

Danger – surgeons at work

WHAT'S the definition of dangerous surgery? When you do the wrong thing (turn up pissed, cut off the wrong leg) it's obvious. But what if a surgical team attempts the correct procedure… and the patients keep on dying?

If you analyse each unexpected death (which doesn't always happen) you may spot something in the process of the operation (such as a very slow surgeon) that might identify the problem. But for major surgery, a certain number of patients will die even in the best hands, and often it will take a number of operations for a pattern to emerge. Here, you need a statistical definition of danger to tell you that you are significantly worse at a particular operation than the average surgical team in the NHS and that you should stop operating and investigate.

That's the theory, but 16 years after the *Eye* exposed the comparatively dangerous results for complex child heart surgery in Bristol, neither the Department of Health nor the Royal College of Surgeons has proposed such a statistical benchmark. As a result, dangerous surgery still abounds in the NHS. The GMC covered its arse in 1998 by disciplining the Bristol surgeons for failing to act on their poor results, but the judgement was nonsensical without a statistical definition of "poor". Without such a benchmark, you don't know when to stop.

The subsequent public inquiry nearly got there by spotting that a baby's chance of dying after complex heart surgery in Bristol between 1991 and 1995 was double the average rate in all other NHS units. "Double the average mortality elsewhere" should have been adopted as the safety standard across a whole range of major surgery where death is a significant risk. It would also require a surgical unit to prove its safety by doing enough of a particular operation to provide statistically significant results, and carefully to code and count each procedure to ensure the data was accurate.

Researchers at St George's hospital in London have used this standard to analyse the repair of abdominal aortic aneurysms (AAA) in England between 2001 and 2005[1]. Hospitals that had a statistically significant mortality rate more than twice the average in the rest of the English NHS were identified as dangerous. The average mortality rate was 7.4 percent. Three English hospitals had mortality rates above 14.8 percent and 30 had rates consistently greater than 7.4 percent. Units needed to be performing at least 32 operations a year to produce statistically meaningful results, and the units performing the most operations generally got better results. A similar (unpublished) analysis up to 31 March 2007 also identified three dangerous units.

So why has Bruce Keogh, clinical director of the NHS, said that no unit performing AAA repair is unsafe, despite his own figures showing units with nearly four times the average mortality rate? Why did Lord Darzi, a surgeon himself, not define a statistical safe standard in his tortuous review? And why isn't Barbara Young, *Eye*-reading chair of the new Care Quality Commission, stopping units that can't prove their safety and investigating those where there is proof that they are dangerous?

Similar statistical outliers exist for other operations, such as carotid endarterectomy and angioplasty. One lesson from Bristol is that if you collect outcomes but don't act on the results, you're courting disaster.

In the meantime, all patients wanting safe surgery should ask: "Do you do enough of these procedures to produce statistically meaningful results?" And if so: "Is your death rate more than double the average elsewhere in the NHS?" Then you have a choice…

M.D.

[1] Demonstrating Safety through in-hospital mortality analysis – *British Journal of Surgery 2008*; **95**: 64-71

ECO-GNOMICS

London's burning

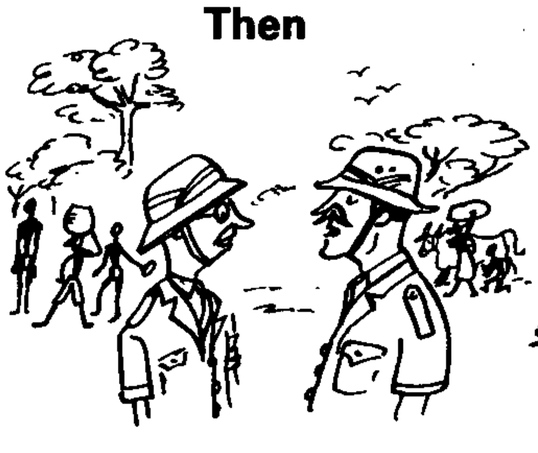
NOW that Bicycling Boris has calmed down from the excitement of Beijing, he might perhaps channel some of his enthusiasm into the environment.

Despite making suitably green noises during his election campaign, four months into the job London's mayor has yet to demonstrate any serious commitment. Indeed, he has yet to appoint any green advisers at all, and it's starting to show.

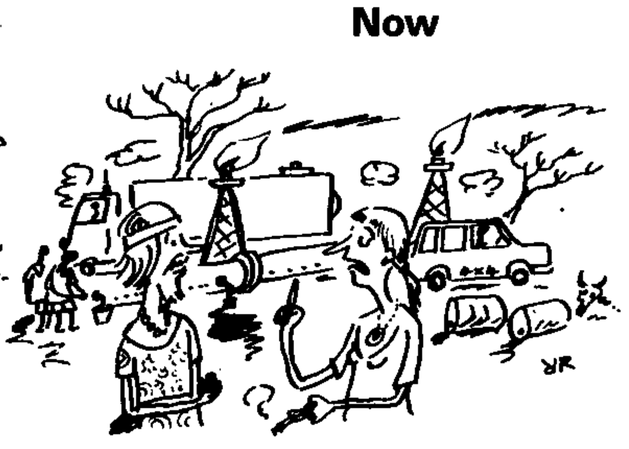
A few weeks ago Boris was happily congratulating and handing out prizes to winners of the London Schools Hydrogen Challenge, only then to announce cuts in the procurement of 60 hydrogen-fuel cell vehicles to be used across GLA bodies such as the Met Police. Although the mayor proclaimed himself a supporter of a new technology-driven economy, one of his first acts has completely undermined a practical initiative that might actually help create one.

The new London Development Agency board still has no experts in sustainability or climate change, despite the many environmental obligations they are required to deliver. Although Boris says he is committed to the previous mayor's 60 percent carbon dioxide cuts by 2025, worryingly the actual wording in his environmental manifesto was: "Work to help cut London's carbon emissions by 60 percent from their 1990 levels by 2025, through promoting greater energy efficiency and cutting congestion". Quite apart from the ambiguous "work to help" wording, there is no way that a 60 percent cut can be achieved through energy efficiency and cutting congestion alone, as any fule kno…

Boris has, however, come out in favour of a new airport to be built on platforms in the Thames estuary – although he has yet to explain how to marry such a new site with the many internationally and nationally protected wildlife reserves in the area, or the new roads and train links that would be required through north Kent and south Essex. Not to mention the very high risk of bird strikes downing incoming aircraft, one of the main reasons this "Heathrow sur-Mer" idea has been rejected by governments since the 1970s.



"Are the natives friendly?"



"Are the natives eco-friendly?"

MUSIC & MUSICIANS

THE WORLD'S press spluttered in outrage last week after the LSO's principal conductor, Valery Gergiev, flew from London to Tskhinvali to conduct what some saw as a pro-Russian "victory" concert – and Ossetian-born Gergiev justified as an occasion to "honour the dead". Columnists chewed over the maestro's past record for political posturing and his close personal relationship with nice Mr Putin.

Gergiev makes a habit of cultivating questionable friendships. He stood $500,000 bail for megabucks opera benefactor Alberto Vilar when he was charged with securities fraud and money laundering back in 2005. Vilar finally goes on trial in Manhattan on 8 September.

Vilar's case has passed through the hands of at least four lawyers who have tried and failed to get the evidence against him declared inadmissible. But one did succeed in having Vilar's bail conditions relaxed, with the result that he hasn't spent the past years too uncomfortably. He may claim to have lost his wealth, thereby explaining his inability to honour the many pledges of money he'd made to opera houses and other music organisations throughout the world. But his living standards haven't been unduly compromised. He has continued to reside in a more-than-adequate Manhattan apartment, with freedom to come and go as he likes and (since the bail relaxed) no tag.

Whether any of this has troubled the sleep of Mr Gergiev is hard to say. But he has almost certainly got 8 September marked in his diary. Perhaps he may even be pencilling in a date for a "victory" concert?

BACK in London we're all bracing ourselves for a new and potentially unsettling round of musical chairs. Up for grabs at the same time are the chair of Arts Council England (two days a week for £40,000) and chief executive of the South Bank Centre (full time for rather more, negotiable) with a potential domino-effect when the successful applicants leave other vacancies behind them.

The problem is that the most obvious candidate for the Arts Council, John Tusa, has ruled himself out because the job specification would require him to take "guidance" from the Culture Secretary, Andy Burnham. That leaves Brian MacMaster as the next most obvious choice. The name of Michael Lynch, the current South Bank chief exec, is also being whispered at the water-coolers.

As for the next man/woman into Lynch's job – which he'll be leaving in any event – the most probable is Graham Sheffield, who very nearly got John Tusa's old job running the Barbican (see how circular this all is?) before losing to Nicholas Kenyon. But there's more water-cooler talk of Clive Gillinson, former boss of the LSO, coming back from New York, where he has spent the past couple of years running Carnegie Hall.

The one thing you can be sure of is that anyone on the South Bank shortlist had better have a good answer to the question: what would you do about our current spot of bother with Jude Kelly? Ms Kelly, you'll remember, is the South Bank's artistic director who evidently has enough time on her hands to be still practising her old trade as a stage director. And it's Kelly who has personally staged the not so spectacular *Wizard of Oz* which has pulled dire reviews and sparse audiences at the Festival Hall.

The odd thing, though, was that the upfront avalanche of critical disdain was followed by a second avalanche of rave notices submitted by "the public" to various websites. It was so remarkable that several websites traced the sources of the late-flowering eulogies. And their discovery? That every one came from the same computer in the South Bank Centre. Shurely shome mishtake?

'Lunchtime O'Boulez'

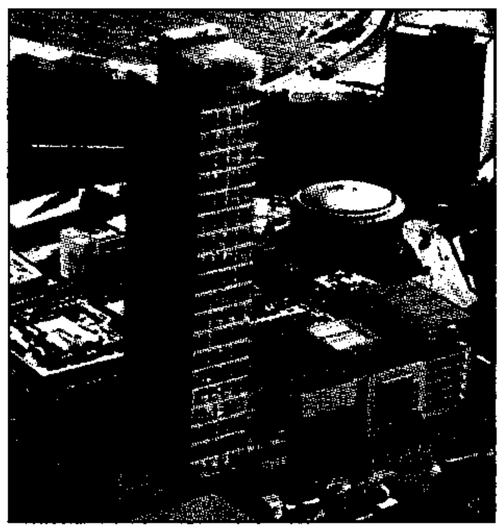
NOOKS and CORNERS

THIS government seems determined to go down fighting to keep its reputation as one of the most Philistine of recent times – and certainly the most hostile of any Labour government to the notion of protecting our architectural heritage.

That is, at least, the only conclusion to be reached following the decision of the "Communities Secretary", Hazel Blears, to ignore the advice of both her own planning inspector and English Heritage by giving approval to a 48-storey hotel tower in Doon Street on the South Bank.

The cleared development site behind the National Theatre has been problematic since the 1970s, when projects for a hotel and offices were vigorously opposed by the Coin Street Action Group. Ironically, it is that group's successor, the non-profit-making Coin Street Community Builders, that is behind the controversial high-rise project.

What is proposed is a "community and cultural complex". This includes studios for the Rambert Dance Company, designed by Allies & Morrison, and a leisure centre with a public swimming pool – very commendable. But to pay for this, it is also proposed to build a 153-metre-tall tower designed by Lifschutz Davidson Sandilands, containing 355 apartments for sale. No "affordable housing" is included, but the developer claims that the scheme will not only improve the environment of the South Bank but also deliver "vital facilities which offer alternatives to those at risk of obesity, gang culture and unemployment". The scheme is supported by Lambeth council but opposed by the Waterloo Community Development Group.



The plans were called in for public inquiry earlier this year. Royal Parks opposed the tower – taller than the nearby London Eye -- because it would damage the view of Whitehall from St James's Park. English Heritage agreed, arguing that it would do even more serious damage to the courtyard of Somerset House, "London's most perfect 18th-century space", from which the erection will be visible, as well as overwhelming the National Theatre and the Royal Festival Hall. Even the normally obliging Commission for Architecture and the Built Environment (CABE) agreed that the proposed tower would "highly compromise" Somerset House. So the inspector supported English Heritage's position and recommended refusal.

Blears knows better, though, approving the development and arguing that "community benefits" will outweigh the damage done to the historic environment. She admits that it will have an impact on Somerset House – but as that's Georgian she probably thinks it's elitist so it doesn't matter. (Incidentally, supporters of the scheme note, with justice, that a distant view of the tower will do far less damage to the experience of the courtyard than the new Silken Hotel rising next door in the Strand on the site of the dreary English Electric House, which itself replaced the Gaiety Theatre.)

We might well ask how and why crucial decisions about the appearance of the heart of our capital should be taken by a secretary of state for "communities and local government" scarcely known for her knowledge of or interest in matters of aesthetics or history. Mind you, no more intelligent decision could have been expected from her minister (for "culture, media & sport") Margaret Hodge – she who condemned the Proms as "elitist" because she doesn't approve of the Last Night – or from the former Secretary of State for Culture, Tessa Jowell, now mercifully shunted off to make a mess of the London Olympics.

What is disgraceful about Blears overruling her inspector is that it implies that the tower is essential, that provision of the community facilities can only be at the sacrifice of the historic environment. But, as English Heritage argued, there are other ways of providing residential accommodation on the site – "alternative options that would have provided the same community benefits but would have been more sensitive, without causing serious damage to historic buildings, spaces and views".

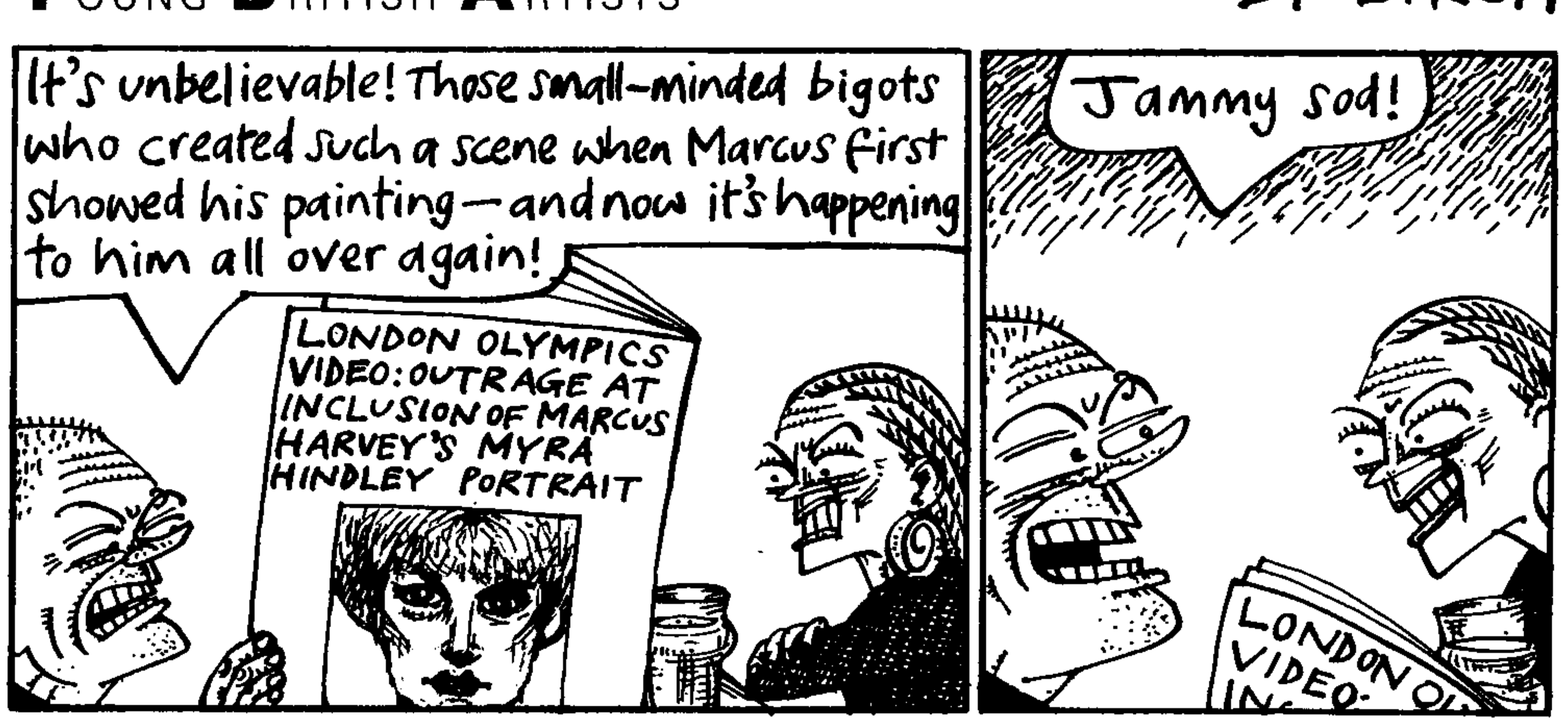
What next? English Heritage does not consider the matter closed and is considering its options. The Mayor of London could also weigh in, especially as he has rejected his predecessor's priapic obsession with inflicting tall buildings on every borough. But Boris has cravenly declined to reverse Ken's decision in favour of the tower. Perhaps salvation will come with the recession, which is already putting a stop to some of the other proposals so beloved by New Labour to build unnecessary "iconic" buildings.

● OF COURSE the swimming pool on the South Bank is welcome, and it might be achieved without the gratuitous tower if the government would support sport all over Britain rather than throw all available money at the Olympics – which will do nothing to provide alternatives to obesity and gang culture in Lambeth or, for that matter, anywhere else in Britain [*Eyes passim ad nauseam*]. Possible good news for potential swimmers in Forest Hill, however, is that English Heritage has listed Louise House, which, along with the recession, should scupper Lewisham council's ill-considered plans to build flats with a swimming pool attached [*Eye* 1217]. What they should do now, of course, is simply restore the existing derelict Forest Hill pools, but that would be far too sensible and unexciting for Lewisham's politicians.

'Piloti'

YOUNG BRITISH ARTISTS

BY BIRCH


It's unbelievable! Those small-minded bigots who created such a scene when Marcus first showed his painting – and now it's happening to him all over again!
LONDON OLYMPICS VIDEO: OUTRAGE AT INCLUSION OF MARCUS HARVEY'S MYRA HINDLEY PORTRAIT
Jammy sod!
LONDON OL
VIDEO-
IN

Down on the Farm

ONCE again dairy farmers are having to face the distressing task of shooting thousands of unsaleable black and white bull calves.

At Sedgemoor market in Somerset recently, 400 calves were on offer without a single buyer. All had to be shot. The trade has collapsed since the Dutch veal market closed its doors a month ago to British exports following the discovery that a dozen calves exported to Holland from Worcestershire in May had developed signs of TB.

It is yet another severe blow to Britain's dairy industry, since it is not long since the export trade in calves for veal was revived after years when exports to the continent were banned because of BSE. Every year, 500,000 Holstein bull calves are born in the UK as a by-product of the dairy industry. Their mothers need to give birth to produce milk. The female calves can be kept to supply the next generation of dairy cows but, since British consumers lost their taste for veal, surplus male calves must be sold to those countries where veal is still prized.

In the first six months of 2008, Britain exported more than 40,000 calves to the continent, more than half to Holland and Belgium. At this time of year the trade would normally be near its peak. But, after calves were found to be infected with TB in May, Dutch farmers insisted on a ban on further imports.

No one is unhappier about this than the Dutch farmers, for whom imported British calves were a valuable source of income. After a recent meeting with Defra, a spokesman for the Dutch farming union, LTO, said they would like to see their trade with Britain restored as soon as possible – but it was up to the British to prove their exports were safe.

"In the past," he said, "the UK has had BSE, then foot-and-mouth, and now TB." The Dutch farmers are as baffled as their British counterparts by the inability of Defra to get to grips with the TB problem. "When we met with Defra," said the spokesman, "we were very surprised that they were not interested in TB control, and when we asked how they managed the problem, they had more questions than answers."

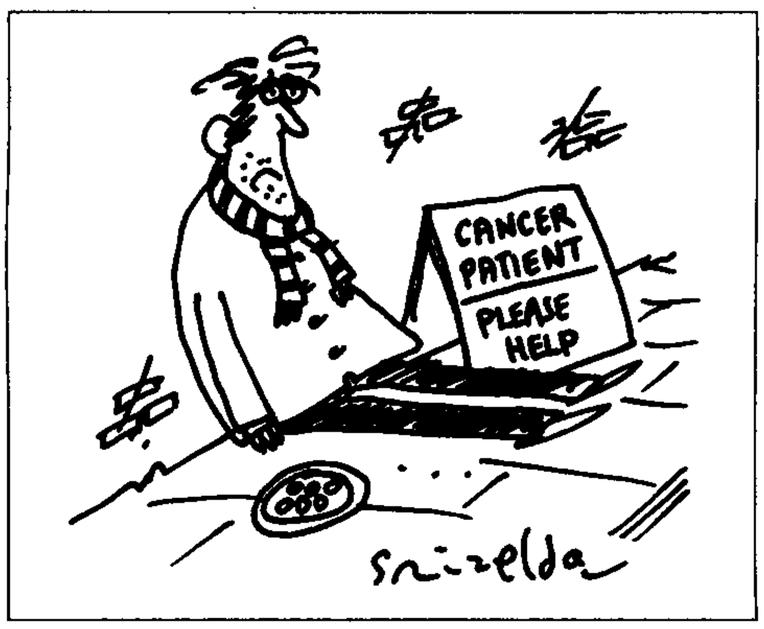
So paralysed has Defra become in the face of the TB disaster that the Dutch ban on calf imports may be only the canary down the mine. Stand by for an EU ban on all Britain's dairy exports, costing our farmers a further £700m a year.

'Muckspreader'

● **HOT OFF the presses, the latest edition of the Welsh Assembly's *Gwlad* ("My Country") magazine arrives in the *Eye* office, full of useful "agricultural and rural affairs information".**

Full of self-congratulatory publicity stunts, more like. The taxpayer-funded propaganda sheet, sent every month to farmers, features stories about rural affairs minister Elin Jones on almost every page – whether she's fighting climate change, reaffirming her commitment to young farmers or announcing red tape reviews.

Then there are the picture stories of the heroic minister launching riding trails and giving worming tablets to dogs. There's lovely!



Letters

Bye, then

Sir,

I have been a reader of Private Eye for very many years and have noted a deterioration of the quality over the years. Of late there have been many unfunny cartoons, but finally you have reached a new low, in fact, rock-bottom.

I do not know whether the "effort" at the foot of page 15 of the issue No 1217 [Vicar answers phone: "Jesus Christ, what now? I'm trying to write my fucking sermon!"] is an attempt to be clever or humorous but it is neither, and is a disgrace both for the cartoonist and your Editor for publishing it, and an affront to your readers.

I have considered cancelling my subscription for some time, and am now cancelling my Direct Debit forthwith.

Yours in sorrow and disgust,
BILL FAIRWEATHER,

Via email.

Sir,

I used to find Private Eye amusing. Of late the tone and content have deteriorated. Craig Brown's "Pinter" Diary and your Literary Review of Chuck Palahniuk's 'Snuff' are too crude for me. Enough is enough. So I cancel my subscription.

Yours faithfully,
PETER O'BRIEN,

Harpenden, Herts.

Better than ever?

Sir,

As a reader and, more important to you, a purchaser of you esteemed organ for over 30 years I am writing to complain about the appalling change in the accuracy of the articles you publish. I well remember the good old days when Lord Gnome rented rooms in the Strand so that he could be closer to his place of work in the Law Courts. In the '80s I used to watch from my office in Fleet Street (sorry I worked in a bank and not as a hack) as Maxwell's helicopter flew off from his Holborn eyrie to bombard Gnome House with writs.

And now! Ne'er a mandamus or application for costs in sight. Your reputation is sullied for ever.

When a man grows old his memory can fade, but I seem to recall that the exposures of the '80s were small beer compared with the corruption which you highlight in your current issues – especially in the public sector. However you seem to be immune to prosecution. There may be two reasons for this. You could be employing Carter Fuck in a defensive role, or all is true, but the indicted are so brazen and inured to prosecution that they think no one cares.

By the way, if I were to tell you that issue 1214 was the best ever, could I have a year's free subscription [No. Ed].

Yours,
GUY MORTIMER,

Via email.

Lookalike

Sir,

I couldn't help noticing the astonishing resemblance between the official handover to London at the close of the Olympic games, and another event that focused the world's attention on the capital three years ago. Did organisers fail to notice the similarity?

Yours sincerely,
ENA B. EIJING.

Lost leader

Sir,

I was disappointed not to find in issue 1217 another Prime Ministerial Decree from the Desk of Our Supreme Leader. I trust that fresh from his holiday dacha and triumphant visit to Beijing he will be reporting to the Comrades in the next issue on how he will purge the infantile leftists, the right opposition Blairite clique and the rootless cosmopolitan Milibandites at the forthcoming Party Congress.

Yours fraternally,
MIKE GOODMAN,

Isleworth, Middlesex.

Sir,

Where has the message from Our Glorious leader gone in issue 1217? I cannot function without the fortnight's directive. Is it that he has realised that he cannot alter events despite a lot of micro-management and given up? Or perhaps he has taken a real holiday and there is nothing to say? In the past really nothing used to happen in August as everyone was on a break.

Please advise when we can have the next directive, or do I cancel my subscription?

BRIAN McNAUGHTON,

Via email.

Boredom Express

Sir,

I find myself having to write in to to say that what happens in the "Great Bores" cartoon on page 20 (Eye 1217) actually happened to me on a train once! I was reading my newly purchased copy of Private Eye and a "middle-aged" gentleman began telling me how much it had gone downhill over the last decade. He said that the standard of journalism was miserable, that the magazine was written by and for people who feel that they are liberals but are actually more right wing than readers of the Daily Mail and the jokes and cartoons aren't even funny, just pathetic (continued for at least 94 minutes). He then pulled out his copy of the Daily Express and began reading...

Please keep up the good work!

Yours considering-taking-out-a-subscription,
CLAIRE SHEPHERD,

East Lothian.

Brum cove

Sir,

Re "Scenes You Seldom See" (Eye 1216). Surely a Birmingham voice is intrinsically no funnier than an Italian accent (B. Fantoni), or an English public school accent (I. Hislop)?

Thet's woi Oi'm considering gow many points of moild Oi could boi boi cancelling moi subscription. The city that produced Neville Chamberlain and Amy Turtle should not be mocked!

Yours truly,
ASTON VILLA
(HARRY SMITH),

Via email.

Bus

Bus

Really useless

Sir,

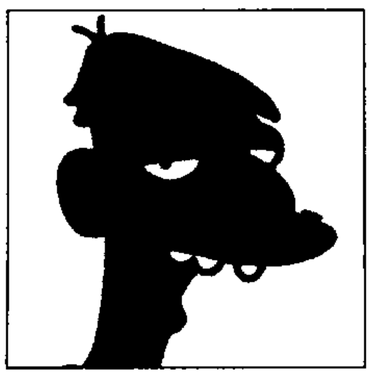
Squarebasher's report (Eye 1216) that Prince Edward "infuriated many guests" by turning up at a party in honour of the Territorial Army in his TA uniform, "covered in medals", is mystifying. At an event of that kind, TA uniform would be the only correct order of dress for anybody entitled to wear it; to come in civvies would be a massive snub to one's regiment and to the TA in general. Similarly, when in uniform the wearing of any medals one is entitled to, or at least the medal ribbons, is not optional but mandatory. Anybody connected to the TA (and why would anybody have been invited to the party if they weren't?) would surely know all this.

Some guests may have objected, in the light of the fiasco of his attempt to become a Royal Marine, to his being a Yeomanry colonel and having any medals to wear, but this too is a bit unreasonable. It's traditional for yeomanry colonels to be royals or aristocrats whose total contribution to the military life is to shell out for the hideously expensive uniform and turn up for regimental dinners, and it's part of the job description of minor royalty to collect meaningless gongs.

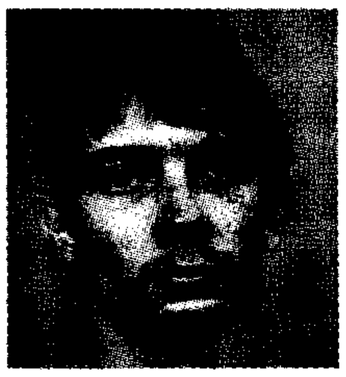
VICTORIA SOLT DENNIS,

Via email.

Lookalike



Johnson



Cletus

Sir,

No question that Cletus Delroy Spuckler, well-known hillbilly from the Simpsons, and Nathan D. Johnson, would-be assassin of Barack Obama, are related. The question is how – father-son-brother?

I think we should be told.

Yours,
ANON,

Via email.

Mumbo jumbo

Sir,

Re High Principals No 1217. "Scientists" at University of Central Lancashire should pay more attention to their physics if they are concerned about becoming a laughing stock for offering a BSc in alternative healing practices. Their view of science is that imposed by the medical, pharmaceutical and psychological vested interests over the last half century. This says that to be valid, all science must conform to the laws of chemical and physical structure.

However, a radio wave has no physical structure, it travels across a vacuum and is only detected by its effects at a distance. The nearest we come to visualizing it is as a mathematical formula. Even more amazing, the information it carries can have profound effects. Like many aspects of physics, it is understood as an energy rather than a substance.

The power of placebo is very inconvenient for some since it throws a spanner in the works. Were it not a requirement of standard medical research it also long ago would have been labelled as "unscientific quackery".

So, UClan, you may well come to be regarded as progressive thinkers rather than a laughing stock.

NIC FORD BSc,

Via email.

Hail Fallowell met

Sir,

Many thanks for mentioning my latest book in your summer reading round-up. However, you made a small error in the title which should be "Get Up Down Under". And you mis-spelt my name. There is an acute accent on the second "e" of my christian name, and an "e" at the end of my surname. I am descended from Sir Robert Smirke, the leading Greek Revivalist of his time.

Yours,
ESMÉ SMIRKE,

London W11.

King Cnut

Sir,

I would like to thank your fine organ for taking such an interest in my fledgling Fleet Street career – but take great umbrage at the allegation I was called a "fat, Bournemouth-supporting no-mates cunt" (Eye 1217).

Anybody who knows both myself and Lee Harpin, my former news editor at The People, would know neither is is in any position to call the other "fat".

The rest of the description, however, is spot on.

Keep up the good work,
TOM LATCHEM,

Via email.

Old fruit

Sir,

I hope that I can be of some assistance to your correspondent Mr Desmond regarding previous usage of the word "fruity" to describe an attractive woman (Eye 1217).

In the late 1980s, the satirical puppet show "Spitting Image" had a short sketch purporting to be a retrospective on the career of Neil Kinnock. The Roy Hattersley puppet observed: "Neil always reminded me of [Mikhail] Gorbachev...". The screen cut to footage of the Kinnock puppet looking statesmanlike. Back to Hattersley for the punchline: "... bald, with a rather fruity wife." Cut to the puppets of Neil and Glenys, looking fruity (Glenys, not Neil).

I do realise that I should get out more.

Keep up the good work!

Yours,
BARNABY J. BEERE,

Via email.

Colemanballs

£10 paid for contributions

"England really need to bring some impotence into the attack."

MATTHEW HOGGARD, Radio 5 Live
(Chris Lewin)

"You can't teach an old leopard new spots."

'TONY', Wife Swap, Channel 4
(Juliet Patterson)

"He rubbed a few noses up the wrong way..."

SIMON MAYO, Radio 5 Live
(Mel Hemmings)

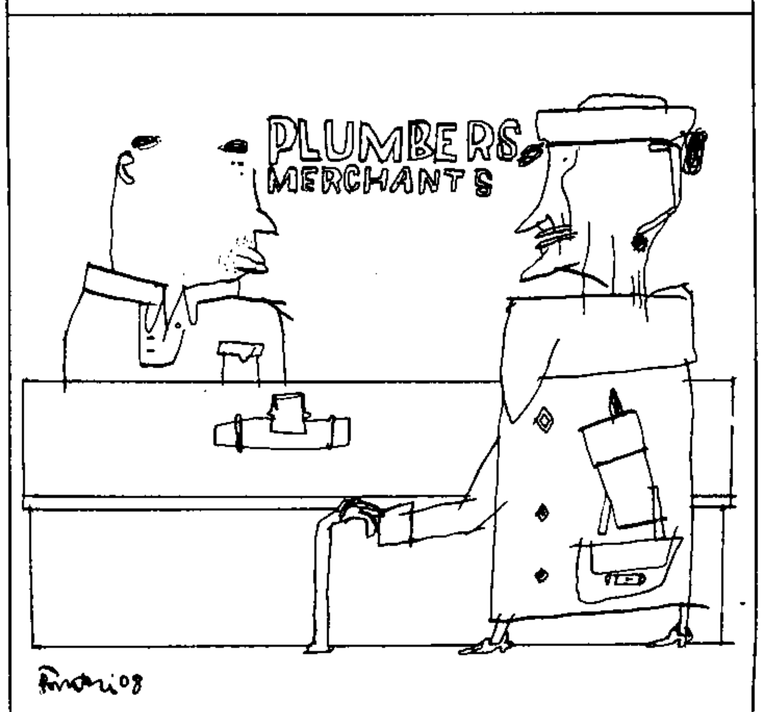
"The goalkeeper – his left hand just disintegrated."

PETER BEAGRIE, Sky Sports
(R.D. Fennelow)

"They [Coventry] scored with the last throw of the dice – literally."

KEVIN KEEGAN, Radio 5 Live
(Trevor Williams)

Scenes You Seldom See



"I asked for a 15mm reduced straight coupler. This is a 28mm ring equal tee."

Wishart imitating life

Sir,

I loved the irate sermonising cleric (Rev Michael Wishart, Letters, Eye 1217). All too close to the truth! I think I might pin him up on my office door.

Yours prayerfully,
REV KENNETH PADLEY,

Bangor.

Pedantry Corner

... Nick Beale's rant about windmills in Dorset (Eye 1217) would carry more weight if he'd got the name of the power station right. The 2000 MW whopper he refers to is Drax, which is not the one you can see on the A1 beyond Doncaster. That's Ferrybridge. East of that is Eggboro, and beyond that is Drax.

Salisbury Cathedral towers over Salisbury and these three power stations tower over a featureless South Yorkshire floodplain. And Goole.

PHILIP SAUNDERS.

... Re "World of Hype" (Eye 1217). Your minions refer to Manchester City owner Thaksin Shinawatra as the deposed Thai dictator. He is actually the deposed Thai Prime Minister, elected three times with large majorities then ousted in a military coup.

He is indeed facing corruption charges but for offences which are minor compared to those of his predecessors. Strangely, the organisation which orchestrated the coup calls itself the Peoples Alliance for Democracy.

Something lost in the translation I think.

ROGER WARD.

... Is it pedantic to point out that Mark Cavendish, named by Jonathan Hull (Pedantry Corner, Eye 1216) as Team GB's only stone-cold certainty for an Olympic gold medal, did not win a medal of any kind?

IAN LEWIS.

... Mr Breville (Eye 1216), I'm afraid, is wrong in his claim that Lara Croft's fictional mother is the Countess of Abingdon. Both parents are dead. Hence, Lara is the legal Countess of Abingdon as PE initially stated. I suggest Mr Breville plays more computer games or watches more poor game-based films.

BEN COYLE.

... Rod Tranchant (Pedantry Corner Eye 1217) should go back to his Latin primer where he will find that stock example of the partitive genitive, "satis vini" (pron. Wheeni). Go to the top of the class, editor. Satis dictum.

JIM DEAN.

Letter from **Lima**

from Our Own Correspondent

EVIDENCE of who was behind the death squads that roamed Peru in the 1990s is overwhelming. But justice, we are told, must be tempered with mercy – or in our case, political expediency, as witnesses and lawyers struggle not with who did what or why, but who may be in charge in years to come and what they might do.

Known as the "The Twins", the inseparable former intelligence chief Vladimiro Montesinos and disgraced ex-president Alberto Fujimori are both on trial here in Lima. Montesinos, already serving 20 years for gun-running, is up for a further list of misdemeanours as long as the arm of one of his trademark tailored pinstripes (including such perennial South American vices as drug trafficking and murder). Fujimori is charged with an array of corruption-related naughties, including embezzlement of more than $1bn.

Both have used a range of technicalities to delay the court process. Such a ploy might seem futile, given the stacks of evidence against them. Or perhaps not: Fujimori's daughter Keiko has announced she will run for president in 2011. If she wins, she is offering an unconditional pardon for any misdemeanours committed during her father's regime. So all the Twins need to do is keep dancing for a few more years and they will, as we say in Spanish, eat partridges and live happily ever after.

Montesinos grabbed the headlines back in 2000 when he was filmed bribing opposition senators to defect to the government and bolster Fujimori's ailing regime. In what became known as the *Vladi-video* scandal, the tapes were leaked and the regime collapsed amid indignation and recrimination.

What had preceded this were eight years of unbridled systemic corruption – lots of fingers in lots of pies. Investigations by Fujimori's successor, Alejandro Toledo, have outed several culprits but many important figures in Peruvian public life would rather the Fujimori years were forgotten. So, with a host of influential backers and lingering popular support for Fujimori, a Keiko victory in 2011 looks a distinct possibility.

As such, how witnesses choose to testify at the Fujimori trial is largely dictated by how the deal offered by the Toledo administration compares with an outright pardon. Disparities in statements have dogged the trial from the start and ensured its resolution will be anything but swift. A key test, then, would be what Montesinos would have to say when called upon to "clarify" the ex-president's role in a series of beatings, killings and massacres perpetrated by the notorious Grupo Colina (GC) death squad in the 1990s. Would he spill the beans on his old friend or stand by him?

The choice was clear from the first question: he was not in a position to give any answers in case they "prejudiced his own trial". Vladi was keeping schtum.

The prosecuting council took Montesinos on and finally the stone started yielding blood. But alas, the witness seemed more intent on exculpating his own actions than fingering Fujimori, vociferously arguing that it was acceptable to commit crimes if they were in the state's interests. After all, what's a little murder between friends if it benefits Peru?

Eventually the cross-examination got to the point. Despite testimonies from several GC commanders and overwhelming evidence suggesting otherwise, Montesinos asserted that Fujimori had known nothing of the death squads. When pressed on this, Montesinos struggled with the details "even though I have a great memory". Clearly the pressure had got to him.

As the court recessed for lunch, Montesinos outflanked everybody by announcing he intended to employ his right to silence and would not be returning for a post-prandial. And that was that, a good day's work, no doubt earning Vladi early release if the *fujimoristas* regain power. Meanwhile, Fujimori was also struck down with a mystery stomach disease, forcing the trial to be suspended. Treble Imodiums all round!

FUNNY OLD WORLD

COMPILED BY **VICTOR LEWIS-SMITH**

● "I have never seen anyone as foul and as wicked as you," Thai Prime Minister Samak Sundaravej told reporters at a farmers' market in the Chatuchak district of Bangkok, "are you insane? The Prime Minister of Thailand himself wanted to go to the lavatory, and you stood right outside waiting. It is shocking. Have not your editors taught you properly? I was sitting inside, as is my right. What's the problem? I would like just to shop and go to the toilet, but you keep filming. I scold you so much and yet you are not ashamed. Should I be filmed inside while I am emptying myself? Can't I have any privacy?"

An unnamed reporter later explained what had caused the Prime Minister's outburst. "During his live television talk show, Mr Samak had refused to answer any of our questions about his recent cabinet reshuffle. So after the show, we followed him to the Or Tor Kor market, still asking him questions, which he still refused to answer. Once inside the market, he disappeared into the lavatory, so we waited outside for him to emerge. After thirty minutes, he was still in there, so we went inside and saw two bodyguards standing outside the last cubicle. When he finally emerged, he was very angry, and kept shouting 'It's awful, it's shameful. Your channel owners won't air my two-hour Thai teaching programme, but they'll keep filming me as I empty myself.' Then, after fifteen minutes of uninterrupted scolding, he got into a waiting car and left, still without answering any of our questions." *(Bangkok Post, 4/8/08. Spotter: Paul Sumner))*

– ● –

● *Service Public of Withssainissement None Collectif (S P with N C).*

Why a SPANC?

To define the zones raising noncollective cleansing.

The cleansing collective is not it what?

It is the whole of the systems intended to ensure the depollution of worn water.

Controls noncollective cleansing why?

The control of the nine and of rehabilitation makes it possible to have more rigour in the analysis of the aptitude of grounds like in the choice of the dies.

To carry out one reliable installation how?

To prevent the Community of Communes 48 hours before the establishment to take appointment for checking by the technician.

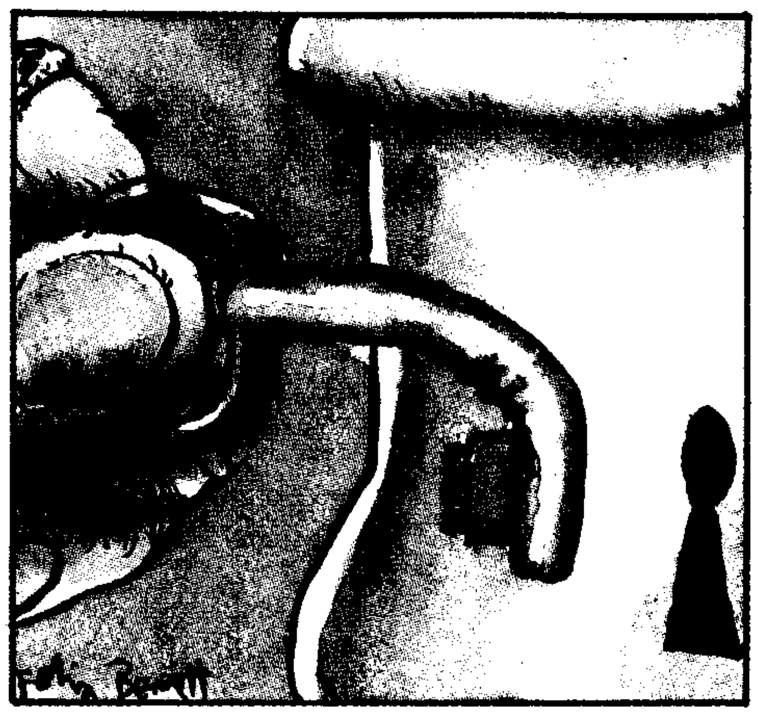
And for the existing installation?

The SPANC of the C.C.V. wants to be a public utility of proximity. (Local government sanitation leaflet given to English homeowners, Mayenne, France)

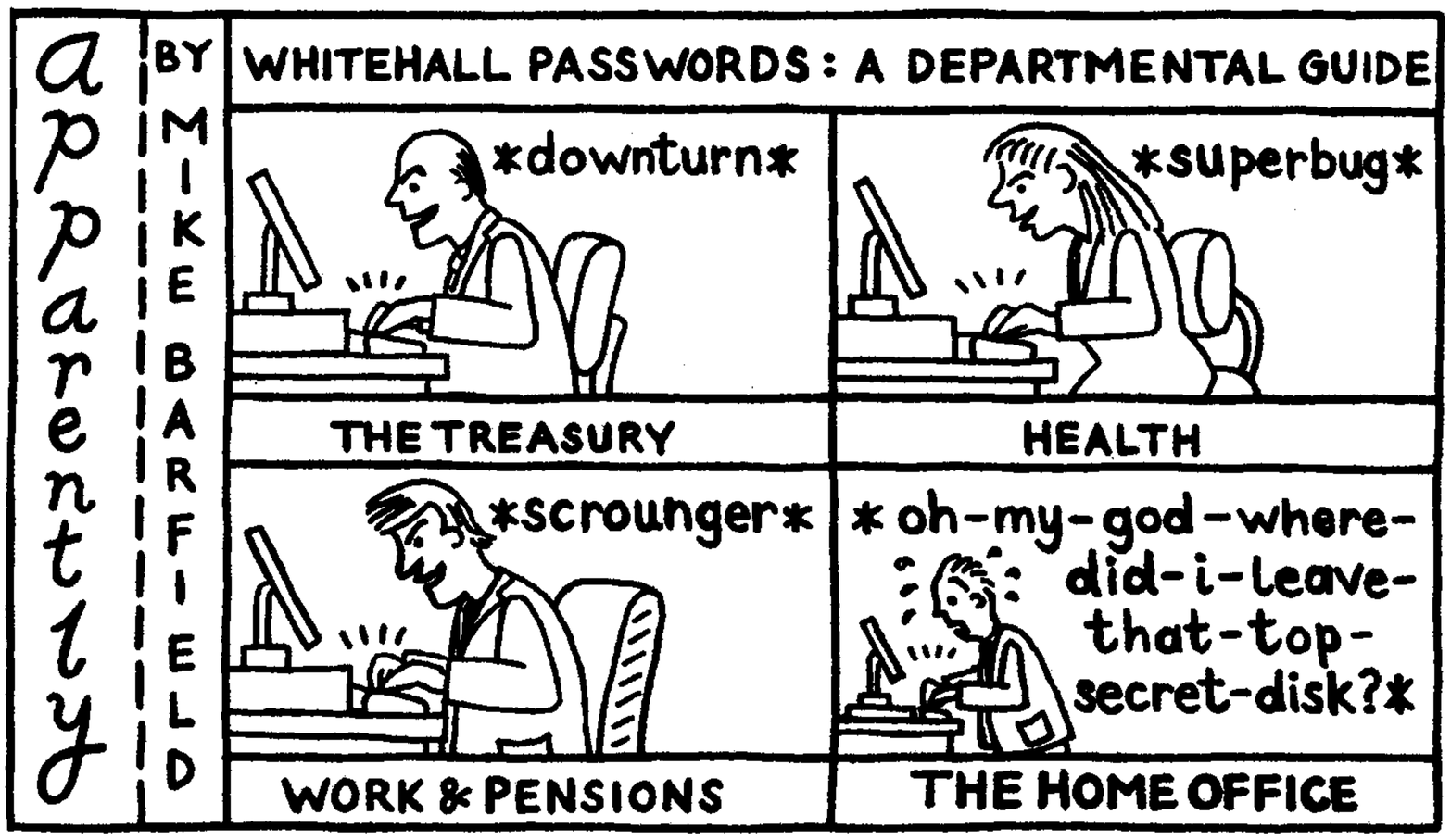
– ● –

● "At just after 11pm, we received a call from a man in Ham, saying that he urgently needed the emergency services," crew manager Brennan Healey told reporters at Kingston fire station, "so we raced off to his address. He opened the door in his dressing gown, and was clearly in great distress. He seemed very embarrassed about the situation, as though he didn't want to be there, and when he took the gown off, we could see why. He was wearing nothing except a two-piece titanium chastity belt, and couldn't get it off.

"He explained to us that he and his girlfriend used it for S&M games, and that he'd put it on



himself that morning as an experiment while his girlfriend was at work, before realising that he hadn't got a key. He'd spent all day trying to get it off, and was slipping in and out of consciousness, due to the pressure of the chastity belt on his genitals. When his girlfriend returned home in the evening, she realised that she didn't have the key either, and by then he was almost delirious, so he overcame his embarrassment and phoned us. We gave him oxygen and started trying to free him, but we needed three machines to cut through the titanium. By the time we'd freed him from the belt, his genitals were badly bruised and swollen, so we took him to hospital. His girlfriend said that they used those sort of things a lot. She didn't seem fazed by it at all." *(Richmond Informer, 11/7/08. Spotter: Kevin McMahon)*



THE BOURN COMPLICITY

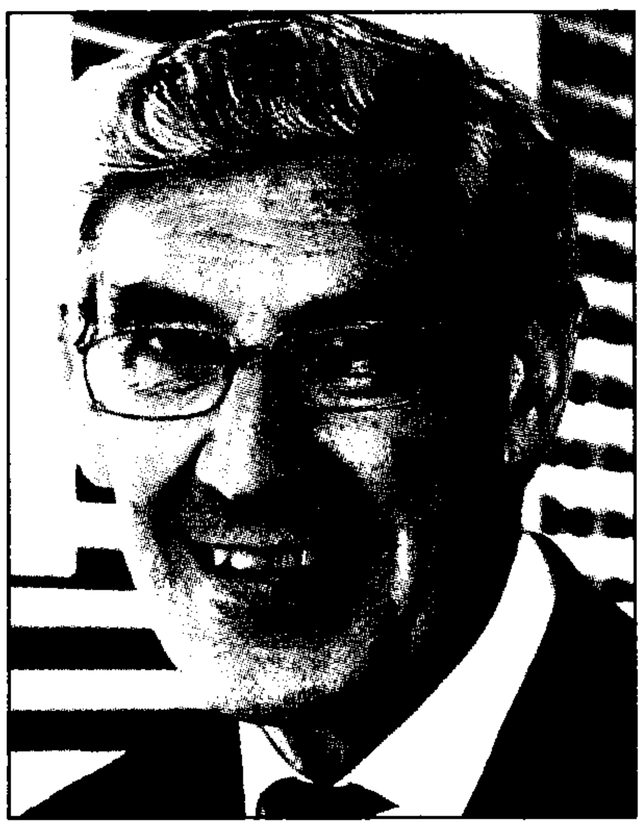
How the NAO, Britain's public spending watchdog, lost its bite while its master was out to lunch (and dinner)

"I've been successful for the entire 20 years," was Sir John Bourn's modest valedictory assessment of his career at the helm of the National Audit Office.

In fact, over two decades Bourn quietly corrupted Britain's principal public spending watchdog. And he got away with it for 19 of those years, until *Private Eye* discovered how the man with the job of preventing taxpayers' money being wasted was in fact wasting it on himself.

As Sir John's jaunts and junkets were exposed, a picture emerged of a body that, far from "helping the nation spend wisely" as its strapline would have it, had become the lapdog of both the government it was supposed to hold to account and the powerful private beneficiaries of New Labour's spending splurge. This is the story of how it happened...

A *Private Eye* special report by **Richard Brooks**



Sir John Bourn: an appetite for auditing

THE OFFICE of comptroller and auditor general (C&AG) that Sir John Bourn assumed in January 1988 had been created 122 years earlier by the chancellor of the time, William Gladstone, as he sought to bring some probity to public spending. For the first time government departments would be required to produce accounts for examination by the new C&AG and a "Committee of Public Accounts".

The job remained more or less untouched until the 1970s when Crown Agents, a shady government body that was busy hatching deals abroad, collapsed under the then C&AG's nose with the loss of £200m. The antiquated arrangements for safeguarding public funds were found hopelessly wanting when it came to late 20th-century methods of splashing the taxpayer's cash.

What was needed was a professional public auditor, which duly emerged following a 1982 private member's bill introduced by one of Margaret Thatcher's early ministerial cast-offs, Norman St John Stevas. The new National Audit Office (NAO) would not just sharpen up the audit of government spending but also judge whether taxpayers were getting value for money.

Although itself born out of scandal, the new watchdog could not have been put on a longer leash. At its head the comptroller and auditor general, retaining his historic title and grandeur, acquired even greater independence from government. He alone would sign off the government's books, appoint National Audit Office directors and staff and decide which parts of public spending should be examined under legislation affording him "complete discretion in the discharge of his functions".

The absolute autonomy given to the C&AG was designed to distance him from the government he would hold to account. But, on the heroic assumption that the incumbent would be forever inscrutable, the National Audit Office Act 1983 also made him the least accountable public servant in Britain.

New-Bourn auditor

WHEN THE C&AG who became the first head of the NAO, Sir Gordon Downey, retired at the end of 1987, he was applauded by the *Times* for having established the new body as a "terrier at the heels of Whitehall". His new army of qualified accountants had dug out fraud at the Ministry of Defence, exposed a fiasco surrounding the Severn Bridge and declared the British Airways privatisation a £300m rip-off.

Mrs Thatcher put forward a 53-year-old MoD mandarin to replace Downey. But immediately there were suspicions that Dr John Bourn might prove a "cat's paw" of the establishment, prompting a handful of MPs to vote against his appointment. Others argued that his intellect and resilience – he was already a visiting professor at his *alma mater*, the London School of Economics, and had served two terms in the Northern Ireland Office at Stormont – would equip him well to take on any mandarin or minister misusing public money.

Bourn would go on to present himself as an outsider in a Whitehall run by Sir Humphreys. Whereas they were public school and Oxbridge, he was Southgate grammar and LSE (hardly the school of hard knocks and university of life, though) before becoming a civil service high-flyer.

From 1985 Sir John had been "deputy under secretary of state" in charge of defence procurement at the MoD (he would later, without irony, describe himself as "the first of the big spenders to become C&AG"). There he would have been well aware of the corrupt and now infamous Al Yamamah arms deal under which Britain sold jets and weapons to Saudi Arabia with the help of bribes and slush funds. When it came to parts of government on which the glare of public scrutiny would be particularly unwelcome, Sir John was very much an insider.

The NAO would go on to write two reports on the Al Yamamah deal, neither of which has seen the light of day. A 1992 report was seen only by two loyal public accounts committee (PAC) members before being permanently sat on for fear of upsetting the Saudis, while a 1996 report on an extension of the contract didn't even circulate that widely. Though he got as far as discussing the report with the MoD, Bourn took the extraordinary step of not showing it to any member of the PAC.

The first suspicion that the watchdog might be losing its teeth emerged a few years into Bourn's reign. In 1994 the *Economist* reported disquiet among MPs on the public accounts committee that Bourn's office was working too closely with Whitehall. The approach, confided

one senior civil servant, was "not to rock too many government boats".

Yet, despite the concerns already emerging about the watchdog, the media – actively cultivated by the NAO machine – refused to delve too deeply. Only one journalist dared to do so, exposing a particularly blatant NAO cover-up.

In 1994 the hack in question, a certain Paul Foot of *Private Eye*, exposed the sacking at Portsmouth University of a whistleblower who had objected to the vice-chancellor's expense-fiddling. When, a few months later, the National Audit Office reported on the scandal, it found "no evidence" that the whistleblower had been persecuted. So wide of the mark was this that she even won her case for unfair dismissal. As Foot concluded, the time was ripe for "sorting out the compromisers at the National Audit Office".

While the episode betrayed the NAO's unwillingness to upset anybody too important, it's not clear whether Bourn was personally involved. His attention had never been entirely focused on domestic matters, anyway. He was too busy taking the National Audit Office... *international*.

Air-Bourn at last

AN ESSENTIAL requirement for a modern national spending watchdog, it turns out, is a valid passport with lots of space for visas. While the job of checking up on £500bn worth of British public spending is left to the poor saps back in the office, the top man can tread a well-worn international circuit attending talking shops, assistance projects and bidding for overseas work.

Bourn aggressively expanded this sideline, winning scores of contracts to audit international bodies under organisations like the United Nations. By 1999 the NAO had become auditor for 50 such bodies, ranging from the World Meteorological Organisation to the International Atomic Energy Association. He had also spent four years on the UN board of external auditors and landed the chairmanship of the World Bank audit advisory group, as well as leading various UN

Sir John and Lady Bourn collecting his Intosai honour in Budapest – a canteen of cutlery or maybe a knifehood?

audit "working groups". Then there were the countless training and "twinning" projects to improve public auditing around the world, and a central role at the national auditors' talking shop, the International Organisation of Supreme Audit Institutions (Intosai), which would go on to honour him for "exemplary and sustained leadership and contributions to a wide range of Intosai programs, committees, and working groups".

Walking the world stage appealed to a man of refined tastes who, as luck would have it, was not constrained by the kind of expenses rules covering civil servants or officials. In fact there were no rules or checks holding him back, apart from any shame a public spending watchdog might feel at blowing public cash in a way he would condemn out of hand if he found it on one of his audits.

On his increasingly frequent trips abroad Bourn would instruct his assistants to find the best hotels with the finest restaurants, often in the most fashionable districts so that his wife Ardita could shop while he was in meetings.

It was first-class all the way: trips to the US on Concorde and nights at the grandest hotels, eschewing standard rooms in favour of deluxe suites costing hundreds of pounds a night. In the regular destination of Vienna (home to a number of UN bodies that the NAO audited) the routine was to stay in the £500-a-night Hotel Sacher with dinner in the famous *Drei Hussaren* restaurant, where a typical bill would be well over £100-a-head after something rather better than the house plonk had been taken. Not that Bourn bothered himself with the pounds, schillings or pence. His private secretary was always on hand with the NAO credit card to pick up the tab. Back home, meanwhile, government auditors would be ensuring that civil servants and ministers stuck to expense limits a fifth of what the country's top public spending watchdog was racking up.

But none of this extravagance was known. It took nearly 19 years for the public to gain a glimpse of how the guardian of its cash was spending its money, and then it had to be dragged out through a series of freedom of information requests from the *Eye*.

Eventually a tale of staggering extravagance emerged. In the three years up to March 2007, it transpired, Bourn had run up expenses on 44 foreign trips of £336,000, of which £76,000 was spent on air fairs for his wife. Lady Bourn, as she became upon Bourn's 1991 knighthood, accompanied him on 22 occasions, invariably to the most exotic locations (see *The Bourn Grand Tour*, below).

Most sumptuously of all came six days in the Bahamas in October 2005 for the Caribbean Organisation of State Audit Offices Congress. The conference itself finished on the 19th of that month, a Thursday, but the Bourns stayed on for another five days because Sir John had arranged a meeting with the auditor general of the Bahamas on the Monday morning – to discuss precisely what, nobody knows; but it obliged Sir John and Lady Bourn to spend a long weekend on the 80°F Caribbean island. The ordeal may have been eased for Sir John by enabling him to enjoy the recreations of tennis and swimming that he lists in *Who's Who*.

When the NAO belatedly admitted to the *Eye* which hotels the Bourns had chosen, their life of luxury became clear: Russia's leading hotel, the Astoria, when in St Petersburg at around £400 a night; and the £300-a-night

SIR JOHN AND LADY BOURN'S GRAND TOUR

The Bourn freebies: a selection of their 24 jaunts from April 2004-March 2007

Destination	Days away incl. travel	Hotel	Event for which Lady Bourn's presence was essential
Mauritius, April 2004	4	Maritim	*Peer review of NAO of Mauritius*
Budapest, October 2004	8	Gresham Palace	*International Organisation of Supreme Audit Institutions congress*
Paris, December 2004	3	San Regis	*UN panel of external auditors*
Auckland, January 2005	9	Club International	*Commonwealth auditors' conference*
Morocco, April 2005	4	Tour Hassan	*Discussion of training project*
China, July 2005	5	Grand Hyatt	*Technical cooperation project*
Brazil, September 2005	8	Intercontinental	*Working group on privatisation*
South Africa, November 2005	6	Sheraton	*Presentation to South African public accounts committee*
St Petersburg, May 2006	4	Astoria	*Cooperation project with Russian chamber of accounts*
Bahamas, October 2006	7	Wyndham	*Caribbean Organisation of State Audit Offices congress and visit to Bahamas auditor general*
Tunis, December 2006	2	Abou Nawas	*European/Arab State Audit offices seminar*
Jordan, January 2007	4	Intercontinental	*Launch of twinning project*

Source: NAO

San Regis just off the Champs Elysées in Paris, for example. Even when travelling within the UK without Ardita, Sir John pushed the boat out. In Edinburgh he got his head down at the five-star Balmoral, which turned out to have cost £182. As the *Eye* pointed out at the time, even the most senior civil servant would be allowed to spend just £75 in that city.

The NAO baulked at giving a full detailed breakdown of Bourn's expenses, but the small sample it later provided did reveal how the eye-watering costs built up. The first-class fares to Brazil for Sir John and Lady Bourn set taxpayers back £15,997; travelling in similar style to South Africa a further £14,518; while the Bahamas flights came in at a bargain £10,260. Back in 2004, a week at the Gresham Palace in Budapest overlooking the Danube cost £3,140 – or £420 a night.

The lurid details at last prompted interest from a media that had ignored the National Audit Office for two decades. The *Eye's* revelations could no longer be ignored.

Ask no questions

WHEN PARLIAMENT'S public accounts commission convened to address the issues the *Eye* had raised in June last year, hopes were raised that Sir John might indeed be brought to book. All but one of the commission members also sat on the Commons public accounts committee, which under Tory chairman Edward Leigh had established a reputation as an effective scrutineer of government. In their time the same MPs had mercilessly torn into many a wasteful mandarin and minister.

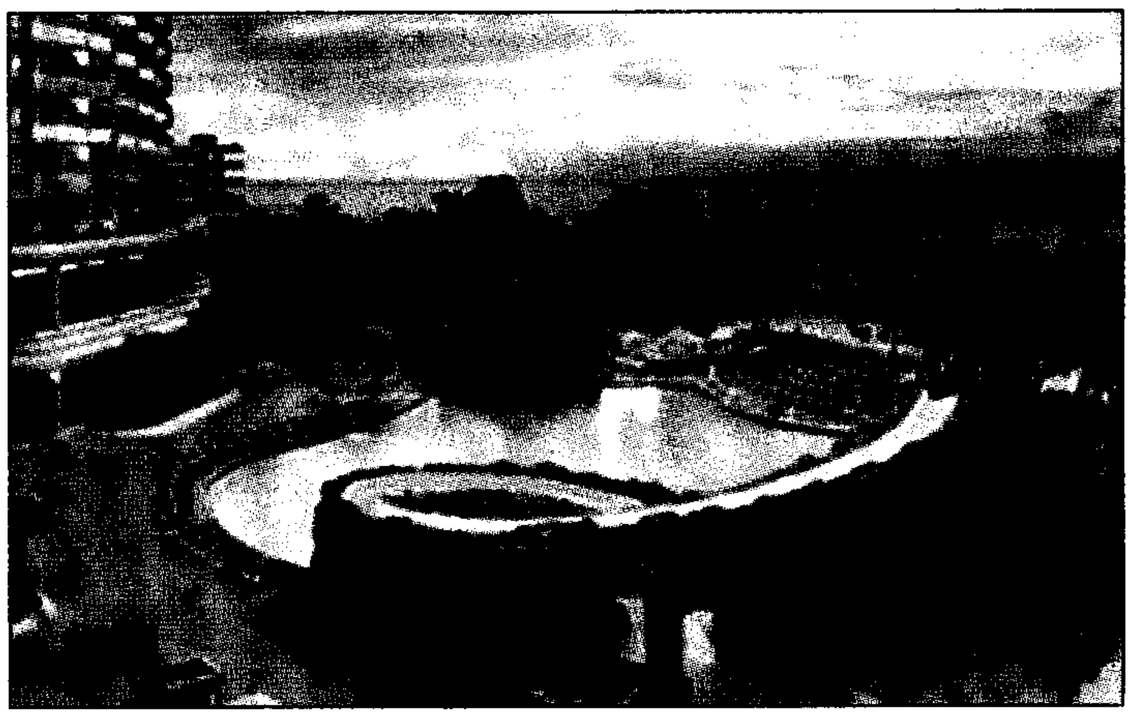
In the event their efforts would make the Hutton report look like a searing critique of British public life. Commission members Alan Williams (chairman), Edward Leigh, John McFall, Austin Mitchell, Nick Palmer and Andrew Tyrie met one morning *in camera,* using as the sole basis of their deliberations a secret briefing from the NAO itself which contained several misleading statements. Meanwhile, the *Eye* has recently discovered, in the days leading up to the commission's deliberations Edward Leigh and Alan Williams had two covert meetings with Bourn. Several questions demanded answers but, happy to rely on the evidence of the man whose conduct was the subject of the inquiry, the commission didn't even bother to ask them:

1 Why did Sir John need to travel so extensively in the first place? With public spending fiascos erupting back home almost weekly, did he really need to leave the office for a week on a "peer review of the National Audit Office of Mauritius", a similar absence to discuss a training project in Morocco, or a "twinning" project in Croatia? Wouldn't these technical events have been better handled by people lower down the NAO hierarchy? None would have been high on a British taxpayer's list of priorities for the national spending watchdog. The NAO note defended Bourn by claiming that he travelled for a "portfolio of international work which generates over £4m of income each year". Once the *Eye* had crunched the numbers in the NAO's own accounts, it became clear that after expenses international work lost the organisation money.

2 The commission could also have questioned the necessity of Lady Bourn's attendance, especially on the more enviable trips. On this the NAO told the MPs that she did so "where the host would have reasonable expectations that she would attend". The *Eye* had been assured that her attendance was "in line with established practice in the diplomatic service and her presence is greatly appreciated". But what evidence was there, for example, that the presence of a former model with no auditing or diplomatic experience was "greatly appreciated" at the working group on privatisation in Brazil (her share of the airfare £8,000)? The commission didn't even ask.

3 The *Eye* had also raised questions about the obvious perk that Sir John was enjoying. The costs of his wife's trips were taxable benefits, admitted the NAO, before revealing that the consequent tax bills were also met by the NAO, ie taxpayers. The double whammy of having his wife's expenses and his tax bill paid for him had been worth £47,000 a year to Bourn since 2003, yet incredibly the NAO had failed to mention it in its own accounts. Bourn, the country's top public auditor and chairman of the leading bean-counting regulator, the Public Oversight Board for Accountants, had repeatedly signed accounts declaring his salary (£160,000 in 2006/07) but stating that he received no benefits. Even the benefits eventually admitted weren't the end of it. By ignoring his wife's share of hotel and restaurant costs, they underestimated his perks. Then there was the private use of a chauffeured car that the *Eye* exposed. The commission's comment on under-declaring benefits and signing dodgy accounts? Not a word.

4 The commission also failed to question Sir John's justification for dipping into the public purse to pay a large part of his personal tax bill every year. The NAO could meet his bill, he said, because civil service guidance allowed it. Bourn, of course, had been only too happy to exploit the fact that he was *not* a civil servant in order to spend many times their expense limits, but breezily used concessions designed for them when it suited him. The civil service rules in any case made clear that travel for spouses should be exceptional (not Lady Bourn's 24 trips in three years) and that costs should be kept to a minimum (not £8,000 first-class fares). No matter, Bourn could make his own rules and the commission certainly wasn't going to censure him.



The Wyndham hotel in the Bahamas where the Bourns had to endure a long weekend in 80°F temperatures while waiting to meet the islands' auditor general

5 Nor was the commission perturbed by the misleading explanations given to them and the *Eye* over why Sir John stayed in such expensive hotels. "Normal practice," the NAO claimed, "is for the C&AG to stay in hotels recommended by the host...". Yet the *Eye* had already checked with two of the hosts, the Scottish auditor general and the Northern Ireland Office permanent secretary, and established that the best-in-town five-star hotels Bourn had used in Edinburgh and Belfast certainly had not been recommended by them.

Faced with this litany of self-indulgence and misrepresentation, the men whose denunciations would have echoed through Whitehall had they found such evidence elsewhere in the public sector reached for the whitewash. The commission "concluded that there was no evidence of impropriety in the use of public money, and that the expenditure had been in accordance with the existing rules on such expenditure". Sir John could carry on, albeit chastened by the requirement to stick to civil service expense limits and have his travel plans approved by his audit committee beforehand.

Whether the committee's sympathy for Bourn was related to later revelations that its two senior members, Leigh and Williams, both employ close relatives on parliamentary salaries can only be speculated on.

Bourn to roam

THE EXTENT of Bourn's gallivanting could be measured in the time it kept him out of the office. In the three years the *Eye* looked at, he was on his travels for 173 days, an average of 58 days a year. Discounting weekends, he was absent for 45 working days – or more than 20 percent of the working year, even though international work was at most 5 percent of the *national* auditor's business. At the same time Sir John had variously performed the extra jobs of auditor general for Wales, adviser to the prime minister on potential breaches of the ministerial code, and chairman of the Professional Oversight Board for the country's accountants (which, it later emerged, was considered a two-day-a-week job), leaving him somewhat distracted from his day job scrutinising British public spending. But nobody bothered. Why not?

Bourn got away with it for so long for a number of reasons. One was that he failed to declare the perks he was receiving in the NAO's accounts, which would have given a clue as to what was going on. This, the whole purpose of disclosure in published accounts, was an odd point to escape the country's most senior auditor.

Another reason was the absence of any restrictions on Bourn's conduct. He could exploit his statutory "complete discretion in the discharge of his functions" to make up his own rules and nobody was going to question him. And by retaining absolute control over hiring and firing, Bourn surrounded himself with acolytes who dared not challenge their imposing boss. (A common career route for an NAO board member involved a stint as

a bag-carrying, credit card-signing "private secretary" whose discretion was quickly rewarded with promotion to director level followed by elevation to the NAO board). One NAO insider reported that, when later asked by staff why he hadn't challenged Sir John over his expenses, Bourn's longstanding deputy Tim Burr – also a member of the NAO's somnolent audit committee – claimed it wasn't his job to do so.

Bourn survivor

THE MPs on the public accounts commission also dominate the Commons public accounts committee (PAC) to which the auditor presents its investigations and on the strength of which the PAC grills civil servants and ministers. Without comprehensible reports and clear briefing, the laymen on the PAC would be easily outmanoeuvred by the Sir Humphreys seeking to deflect allegations of waste. Recognising their dependence on his work, Bourn drastically improved the service the NAO gave them, impressing his parliamentary masters with detailed briefings and lists of questions for their hearings, draft PAC reports and even draft press releases. The PAC members in turn are so reliant on the NAO that one confided to the *Eye* that he would be reluctant to speak out against Sir John's expense abuses for fear of spoiling his relationship with the auditor.

By the late 1990s Bourn (by now Sir John) might have had his day. He had passed the normal public sector retirement age, had served more than a standard term for such a position and a new administration had come to power. In 1999 the *Guardian* even foretold the imminent "retirement of the ultimate citizen above suspicion, Sir John Bourn". Sir John had other ideas, but to hold on to the job and its luxurious trappings he needed all the goodwill he could muster. Although he could formally be displaced only on a vote of both houses of parliament, the ex-mandarin would have known all too well how an unwanted official could be dispatched.

NAO reports continued to give the PAC members something to get their teeth into, but oddly there was always plenty in there for the government, too, with carefully turned phrases ready for ministers on the defensive to quote as endorsements of public service disasters. Increasingly Sir John Bourn became the ringmaster of a bizarre circus in which the PAC chairman would excoriate a particular waste of public money using the same NAO investigation that ministers would then cite in their defence.

To Edward Leigh, PAC chairman from 2001, an NAO report on the sensitive issue of out-of-hours GP care, for example, revealed a "costly mess" placing "extra burdens on the NHS at a time when we know that it can ill afford them". Junior health minister Andy Burnham, on the other hand, could reassure parliament that "the NAO review of out-of-hours services found that those services are broadly on track and improving".

Even the most disastrous public spending projects could earn an NAO endorsement. In June 2006, for example, the largest and most wasteful civilian IT project in British history, the NHS's National Programme for IT, received Bourn's seal of approval (see the *Eye's* special report, *System Failure,* issue *1179*). Yet once his committee had got to grips with the scheme, Leigh would say: "Urgent remedial action is needed at the highest level if the long-term interests of NHS patients and taxpayers are to be protected. The programme is not looking good". When it came to defending the £12.4bn splurge he had personally sanctioned four years earlier, prime minister Tony Blair, on the other hand, was able to tell parliament quite accurately that "on the whole the NAO was complimentary about the IT programme... Of course, we have to make sure that people offer value for money, but by and large the NAO said that we did".

As the *Eye* revealed a succession of limp NAO reports, insiders began to come forward with explanations of how they came about. Not only do heads of government departments have a big say in what the NAO investigates, but the auditor's reports also become the subject of intense haggling before publication. To meet its target of producing 60 "agreed" value-for-money reports a year, the NAO often has to cave in. A key step in the process is the pre-report "dinner party" at which the NAO's auditors and senior government officials run through provisional findings. One former auditor told the *Eye* that at these get-togethers the NAO's relatively junior auditors are invariably out-gunned by the mandarins and forced into concessions to get their reports out.

At the top level, Bourn was also in regular contact with the subjects of his organisation's reports. Some details escaped over the wall of secrecy surrounding the NAO – such as the regular phone calls the boss was taking from QinetiQ chief executive Sir John Chisholm shortly before the NAO's report on the controversial privatisation, which saw Chisholm trouser a £20m windfall but escape the NAO's scrutiny relatively unscathed until the PAC weighed in months later by calling Chisholm's conduct "dishonourable". The effect, one of the NAO's few parliamentary critics, Labour/Co-op MP and accountant David Taylor, told a Channel 4 *Dispatches* programme, *Nice work if you can get it*, was "a cosiness, almost a cosy cartel at the very upper echelons of the NAO and of government departments that needs to be examined".

The value to the government of the consensual approach emerged in 2006. The BBC was nudged into asking for the original draft of the NHS IT programme report and received a version that contained several stern criticisms. When the final version reached parliament after months of negotiations within Whitehall, the offending sections had been excised. One PAC member described the published version as "easily the most gushing" NAO report he had seen.

But how many other reports had been neutered by the "cosy cartel"? The *Eye* asked for a sample of draft reports on some of the most controversial government projects of recent years and discovered more changes, even from what had been produced *after* the legendary "dinner parties".

PFI? NAO COMMENT...

Although the NAO has produced more than 50 reports on PFI schemes in the last 11 years, generating more than 500 recommendations for improvements, it has achieved the perverse result of boosting the scheme by producing vague endorsements while failing to address crucial questions such as whether PFI works out more expensive than conventional procurement and what its effect are on services.

The only general study of the scheme, "PFI: Construction Performance", in 2003 found that in PFI schemes there were never delays beyond two months and that in every case the public sector paid what it expected. By contrast, the NAO concluded, 70 percent of conventionally procured projects were late and 73 percent were over-budget. Although these findings were soon comprehensively rubbished by academics, time and again ministers, officials and consultants cited the NAO report in defence of PFI. As recently as the March 2008 budget, a vast £30bn expansion of PFI to meet "the infrastructure challenge" was justified by the NAO's dog-eared findings.

PFI-friendliness extended to the routine appearance of NAO staff alongside the PFI industry at conferences to plug the initiative and even the appointment of the NAO's own "PFI development director".

The cause of the curious NAO-government PFI love-in was exposed by the *Eye* last year (see issue 1183). Under an arrangement agreed with Gordon Brown's Treasury at the height of its statistical creativity, every new PFI deal is deemed to be 17 percent cheaper than it would have been without the NAO's reports on PFI. A proportion of this is claimed as the "impact" of the NAO's work, under a system devised by Bourn for boasting of the NAO's success in saving the taxpayer money. And without these supposed savings, the NAO would have missed its targets.

In 2004/05 the "impacts" generated in this way (ie by not doing anything but watch the government sign more PFI deals) were £127m out of total savings achieved by the NAO of £515m. Small wonder it has long been keen to promote the initiative rather than expose it.

This was crucially important to Bourn in satisfying his masters on the public accounts commission. One exchange between the only MP to have rumbled the NAO's approach to PFI, David Taylor, and commission chairman Alan Williams revealed all when Taylor complained that "abject failures of PFI projects attract little interest from the NAO, whose critiques of these matters are often timid, lame, vacuous apologia..." Williams replied: "I should have thought that the fact that the NAO will save the taxpayer £660m this year – nine times its own annual running cost – is clear evidence that it is doing a good job."

Perhaps Bourn's greatest single service to PFI was in sitting on a damning report into the first wave of PFI hospitals. When the Eye obtained the draft report using freedom of information laws, it emerged that PFI hospitals were found to be more dangerously crowded, dirtier and more inflexible than conventionally built and run ones, with the "value-for-money" calculations on which they had been justified exposed as consistent fiddles (issue 1187). Yet the report was buried officially because the findings were "inconclusive" In reality, they would have scuppered an ongoing high profile review of PFI in the health service which duly concluded that it remained the right way to build hospitals.

Diluted to help

ONE OF New Labour's biggest screw-ups was the introduction in 2005 of the EU "single payment scheme" for farmers, replacing a host of subsidies. Costs over-ran hugely and thousands of farmers faced financial ruin as the Department for Environment, Food and Rural Affairs (Defra), through its Rural Payments Agency (RPA), introduced a far more complicated scheme than it needed to and failed to consider whether its exorbitant new IT systems could cope (they couldn't). From the outset the government strategy was to pin the fiasco on the RPA's poor management, turfing out its chief executive – an analysis the NAO's 2006 report duly supported.

But the previous draft was far more critical of the policy behind the scheme, for which Defra and its secretary of state Margaret Beckett (by this time foreign secretary) were responsible, not the RPA. Top of the draft's list of causes for the crisis was "a lack of coordination between the department's policy making staff and delivery staff in the agency...". Substantially the Defra policy makers' fault in other words. In the published version this became simply: "The department and the agency had not fully appreciated the risks and complexities..." The description of Defra's plans as "more ambitious than those in most other European countries", a failing at the heart of many an IT foul-up, became "more forward looking..."

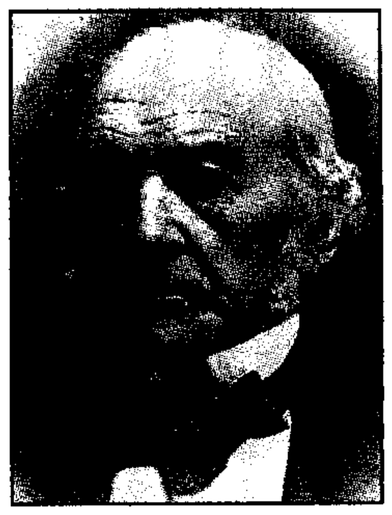
The highly sensitive subject of dire military accommodation also got the NAO treatment. The draft of a 2007 report on the quality of defence housing pointed out that on improvements "progress is slow". This swiftly became "there is more to do". Reference to "cuts" in the contracts was removed and "lack of coherence" became "not maximised coherence".

Criticism of the government's flat-footed handling of the 2004 MG Rover crisis was also watered down from a draft seen by the *Eye*. Similarly, a suggestion that HMRC overpaid its IT suppliers to bid for a multi-billion IT contract that year didn't make the final cut either.

As the NAO became increasingly politicised, Bourn enthusiastically conspired in a favoured government ploy to bring the auditors in early for a quick and politically expedient endorsement at the start of a controversial project, compromising future scrutiny in the process. This was the tactic for the schools academies programme which sees £25m a time thrown at new schools to be run by "sponsors" including businessmen and religious groups.

Thus whenever doubts over academies have been raised since, out pops the NAO endorsement. Answering several MPs' concerns about the effects on other schools, minister Jim Knight could recently respond: "In 2007, the NAO concluded that GCSE performance in academies had improved compared with that of predecessor schools and that... GCSE performance is substantially better on average than that of other schools." The finding that they performed no better than schools going through other, cheaper, improvement initiatives didn't get a mention.

Another hugely controversial scheme to benefit from indecently quick NAO backing was the NHS's "local improvement finance trust" (LIFT) scheme which would use PFI to build centralised GP practices such as polyclinics . With even the pilot schemes barely open in 2005 Bourn announced (to the intense satisfaction of the PFI consultants who, it later emerged, were regularly schmoozing him):



William Gladstone, creator of the office of comptroller and auditor general. Would he have approved of Bourn's so-called 'Gladstonian rectitude'?

"I welcome LIFT as an attractive new way of improving primary health and social care facilities. This is an excellent example of a department doing something different and new to come up with an effective solution to an established problem." Three years later, with some actual evidence to go on, the independent Kings Fund found that LIFT schemes were proving expensive and not improving local services and had often been "developed because there was a political imperative to have a LIFT scheme in the area rather than to meet a local need".

One of the NAO's tributes to a New Labour project was exposed even more quickly. Seeking a pat on the back for his and Gordon Brown's 1997 creation of the Financial Services Authority, in 2006 ambitious City minister Ed Balls asked the NAO to take a look at the FSA's performance. Bourn didn't disappoint: "The FSA has done well... to become one of the world's first unified financial services regulators. In doing so it has created strong and effective structures," he gushed. Five months later, after Northern Rock had been torpedoed under the regulator's radar, the Treasury select committee reached a slightly different conclusion: "The FSA appears to have systematically failed in its duty as a regulator."

Nowhere, however, was the NAO more on-message than in promoting the initiative that during Bourn's tenure would hit public service budgets the hardest: the private finance initiative, to which more than £200bn of taxpayers' money has already been committed. By turning a blind eye to the scheme's central flaws and even promoting its use, under Bourn the public spending watchdog made its greatest contribution to wasting public money (see *PFI? NAO comment,* left).

The NAO's growing cooperation with government certainly wasn't going down well with its fiercely non-political professional auditors. A staff survey in the summer of 2006 found that 77 percent of the auditors performing the NAO's value-for-money investigations thought their employer "over-cautious". Not that the auditors thought there was much they could do about it. In Bourn's empire just 16 percent of staff thought they were "encouraged to speak up and challenge the way things are done", while a mere 26 percent had "confidence in the senior management team of the NAO".

In the money

AS THE NAO's record of endorsements and fudges lengthened, Sir John's stock soared in Whitehall. In March 2006 he was crowned "independent adviser" on ministerial conduct to PM Tony Blair after David Blunkett had inappropriately obtained train tickets for his girlfriend. Yet when later scandals emerged, involving John Prescott's alleged misuse of his office and hospitality from Texan casino operator Philip Anschutz, Bourn was not called upon. A later report from MPs would reveal that for his £30,000 salary he investigated precisely nothing – perhaps because, in the MPs' words, the job "meets none of the criteria we associate with independence". So much for the fiercely protected "independence" of the comptroller and auditor general which enabled Bourn himself to escape scrutiny.

Such was Bourn's reputation (one columnist in 1999 had described his "Gladstonian rectitude") that his appointment by Blair was seen by some at the time as a serious move towards accountability. In fact Bourn's popularity in Downing Street was about as damning an indictment of his performance as could be made. Under New Labour the fate of any watchdog worth his or her salt had been an unceremonious dumping, as the chairman of the committee on standards in public life, Sir Alistair Graham, discovered after speaking out once too often about Blair's "sofa government". Five years before, parliamentary standards commissioner Elizabeth Filkin had been hounded and pushed out for daring to do her job of investigating MPs (including high-profile ones) diligently.

Bourn was in demand elsewhere, too, picking up around £50,000 for his two-day-a-week job at the body that regulates Britain's accountants, along with £40,000 a year between 1999 and 2005 as auditor general for Wales. With such extra-curricular commitments, not to mention the weeks out of the country every year, Sir John might have been expected to have had his nose pressed to the grindstone when he was in the NAO office. But information the *Eye* eventually forced out in October 2007 proved that his snout was in fact rarely out of a very expensive taxpayer-funded trough (see *Out to lunch (and dinner),* below).

OUT TO LUNCH (AND DINNER)

A month in the life of the Junketer General

Monday 4 July 2005: Lunch at the Savoy with unspecified guest, £222.18. Dinner at the Connaught with a senior government official, £231.47.
Tuesday 5: Lunch at Wilton's with unspecified guest, £177.19.
Thursday 7: Dinner at the Ritz with unspecified guest, £260.30.
Tuesday 12: Lunch at the Goring with unspecified guest, £114.45.
Wednesday 13: Private viewing and reception at Tate Britain with Lady Bourn, courtesy of Clifford Chance.
Thursday 14: Dinner at the Connaught with a senior government official, £214.31.
Saturday 16: Royal Air Tattoo with Lady Bourn, courtesy of Marshall's defence firm.
Sunday 24: Cartier international polo in Windsor, courtesy of EDS.
Tuesday 26: Dinner with an unknown parliamentarian at Aurora, £169.15.
Thursday 28: Dinner at the Ritz with a boss of an unknown government supplier, £215.80.

Live and let dine

FOLLOWING A series of freedom of information requests, the *Eye* established the extent of Sir John's domestic junketing. From 2004/2005 to 2006/07 he had taken what the NAO described as "UK contacts" out to some of London's finest restaurants no fewer than 160 times at an average cost of £154, not to mention hosting 20 dinners for overseas visitors coming in at £1,287 a throw.

Desperate to avoid further embarrassment the NAO initially claimed that revealing any more, even the eateries used, would "impede [Bourn's] ability to engage freely with external stakeholders". Although it continues to refuse to say who Sir John took out, a couple of months later it did release a list of the restaurants chosen by Sir John and a breakdown of the guests according to where they came from. Twenty-eight were "senior government officials"; 39 were from "suppliers to government"; 11 were "suppliers to the NAO"; nine were "parliamentarians" and a further 72, almost half, were not too helpfully simply called "others".

The NAO insisted that Bourn had to wine and dine "as part of the need for the NAO to keep in touch with a wide range of people". Strangely, the details showed that immediately after the public accounts commission had convened in June 2007 to examine the *Eye's* revelations about foreign travel and imposed controls on future spending, the lunches stopped. Perhaps they weren't so essential after all.

More mouth-watering were the places Bourn would take his "contacts" every week. Favoured restaurants included: Bibendum, at which he and a civil servant managed to spend £205 of public cash; the Square, where he treated a government supplier to a £253 blow-out; and a treat for two of his staff and a civil servant at Wiltons where the precise £500 bill really did make a monkey out the taxpayer.

The NAO repeatedly refused to say who was tucking in with Bourn on the NAO credit card and just what it meant for the scrutiny of public spending. Only one event could be decoded from the NAO's limited disclosures. Public accounts committee chairman Edward Leigh MP had admitted to the *Eye* he had been taken out along with Prince Charles' private secretary Sir Michael Peat. This could only have been to The Goring (British Restaurant of the Year 2005) on 4 December 2006 (bill: £160), just after Leigh had indignantly called for access to Brian's accounts. Oddly nothing was heard of this demand again. Could a convenient understanding have been reached over an agreeable lunch?

More alarming still was the *Eye's* discovery a few weeks later of one particular lunch enjoyed by Bourn and a senior manager from the government's largest IT supplier, EDS. The firm had not long before screwed up at the Child Support Agency with what an internal document called "badly designed, badly delivered, badly tested and badly implemented" software. An NAO report on the CSA was due to slate EDS but, following a lunch between Bourn and EDS's Tom Warsop, all criticism was dropped. The official reason was so as not to prejudice compensation negotiations, a claim that cropped up again in repeated failures of the NAO to probe perhaps New Labour's greatest public service disaster: the introduction of tax credits in April 2003.

Didn't he do well? Alan Williams' Hutton-style verdict on Bourn

In both its 2003 and 2004 reports on HMRC the tax credits fiasco escaped the NAO's gaze "in order not to prejudice" discussions over compensation. The discussions concluded in November 2005 with a paltry £71m settlement. In the meantime, with the fiasco off the NAO's agenda, EDS had won contracts covering MoD personnel admin (worth £250m), military IT (£4bn) and an IT overhaul at the Department for Work and Pensions (£2.6bn), which between them now ensure EDS's survival.

But why would an auditor general steer clear of a major scandal, protecting at best a few million on a compensation settlement, when scrutiny would have taught some serious lessons to a government about to hand several billions to the same inept firm? Along with the lunch details, the NAO released some information on hospitality received by Bourn in a six-month period over the summer of 2007 that hinted at the answer.

Among 17 junkets were dinners, receptions and art exhibitions courtesy of bankers, consultants and PFI companies who were all earning fortunes from projects that the NAO should have been auditing. Those with the biggest contracts, oddly, seemed to provide the most elaborate entertainment. PFI prison company GSL took Sir John and Lady Bourn to the opera, while the big defence firms treated Bourn to the British grand prix at Silverstone (BAE Systems), and a day at the Royal Tattoo with Lady Bourn (Marshall's). The swankiest outing was provided by the firm with so much to thank Bourn for, EDS, who took him to the Cartier Polo match at Windsor – "the pinnacle of glamour and prestige", apparently.

These remarkable revelations prompted calls for Bourn to call it a day. But the people who could do something about it – the MPs on the public accounts commission – leapt to his defence. "Without the NAO under his leadership we would never have heard about MRSA in hospitals, the failings of the Chinook helicopters or the inadequacy and shortage of equipment supplied to our troops in Iraq and Afghanistan," claimed one of its leading members, Richard Bacon MP. In fact, while the NAO did produce a useful report in 2000 on MRSA infection, the problem was causing widespread alarm and action had been called for long before then. The Chinook fiasco was a remarkably rare example of an NAO investigation into big-ticket defence deals, and there was no shortage of personnel, inquests or correspondents spilling the beans on frontline equipment shortcomings. The scandal was that under New Labour's dubious spending spree more had not been exposed.

Bourn bows out

BOURN DIDN'T survive long, though. The day after the *Eye* had concluded its account of the latest revelations by asking "can any public servant listen to a word Sir John has to say about value for money without bursting out laughing?", he announced his retirement. This was ostensibly to avoid a conflict with his other job as accountancy regulator as the NAO was about to be given the power to audit private companies. By March 2008 the lie was given to this excuse when Bourn declined to "stand for re-election" at the bean-counting regulator – perhaps forestalling an embarrassing result – though he remains a well-paid consultant.

As Bourn prepared for his long-delayed "retirement", the tributes gushed forth. Edward Leigh praised his "profound and lasting contribution to public audit and accountability". Labour's chairman of the Commons public administration select committee, Tony Wright, supposedly pretty hot on propriety, merely "regretted very much that his final period in office was distracted by stories of exotic expenses". It was the stories, not the facts, that were the problem.

Bourn and his senior colleagues were unrepentant and complacent. Days after announcing his resignation, an NAO board meeting – attended by Bourn's deputy and successor Tim Burr – was seriously noting that "the office had built on its already high standards of governance". In his final appearance before the public accounts commission, Bourn claimed, without dissent, that "what was done in the past was done properly". Never mind the well-documented rule breaches and cover-ups, nor that, unknown at the time, he was under investigation by HM Revenue and Customs [see *The Bourn £100K tax ultimatum*]. The man who went only to the best restaurants, the finest hotels and travelled everywhere with his wife first class even kept a straight face as he insisted that if the NAO "can find ways of doing it cheaper to have money accruing to the taxpayer's interest we seek to do that". Alan Williams concluded the mutual appreciation session by reassuring Bourn: "You've done well by the [Commission], you've done well by the National Audit Office." Bourn declared himself "touched".

Williams was equally fulsome in his welcome for Bourn's successor, Tim Burr: a

THE BOURN £100K TAX ULTIMATUM

In October 2007, after pointing out more of Bourn's secret perks, the *Eye* remarked: "The prospect of the national spending watchdog under investigation by the tax authorities surely looms."

And so it proved. The NAO's 2007/08 accounts published two months ago revealed that following an HMRC investigation, Bourn had racked up a £97,000, six-year back-tax bill for the use of a chauffeur-driven car to get him to and from the office and to ferry him around London's restaurants – a perk that only came to light when the *Eye* discovered and reported it last year ("Chauffeur government", issue 1189).

The NAO also revealed that Bourn was hit with a further £5,000 bill for under-estimating the benefits of his wife's travel, as the *Eye* had suggested he had.

But Sir John still didn't have to open his own wallet. The bills were met by the ever-amenable NAO, ie the taxpayer, which justified paying £97k for the car benefit because "the arrangement was intended to maximise the official use of the comptroller and auditor general's time".

The findings were particularly embarrassing for Bourn's successor, Tim Burr, who sat on the audit committee that should have picked up such obvious errors. By coughing up £6,000 for a penalty the NAO accepted that it was negligent in handling Bourn's tax affairs.

SCHMOOZE & EFFECT

Schmoozer	Event(s)	What the NAO did (or didn't do) next...
BAE Systems	England v. Wales at Twickenham 2/06 Farnborough Air Show 7/06 British Grand Prix 7/07	*Agreed not to publish first report into Al Yamamah for 15 years and declined to deliver second report to parliament.* *Failed to examine value for money of any BAE Systems deals under contracts on which it earns £500m+ from the taxpayer annually, beyond summary 'large projects' report.*
Marshall's	3 Royal Air Tattoos: 7/05*, 7/06, 7/07* Dinner at RAF museum 9/06*	*Failed to examine value for money of any Marshall's deals under contracts on which it earns £100m+ from the taxpayer annually, beyond summary 'large projects' report.*
Finmeccanica	Trafalgar 2000 celebrations 6/05 Private viewing at National Gallery 7/06	*Failed to examine value for money of any Finmeccanica deals under contracts on which it earns £500m+ from the taxpayer annually, beyond summary 'large projects' report.*
MBDA	England v. France at Twickenham 3/07	*Failed to examine value for money of any MBDA deals under contracts on which it earns £250m+ from the taxpayer annually, beyond summary 'large projects' report.*
EDS	Polo at Windsor twice: 7/05, 7/07 England v. Ireland at Twickenham 3/06 2006 Football World Cup final in Berlin 7/06	*Failed to produce a single report on the value for money of, often disastrous, EDS-run contracts signed after 1994 despite the company being the largest consumer of public IT spending.*
BT	Dinners at Mossimans 1/07 & 1/08	*Deleted criticism of BT from NHS IT report.*
United Utilities	2006 British Open Golf 7/06	*Six months later produced tepid report on water utilities.*
GSL (formerly Group 4)	Opera at Garsington 7/07*	*Produced lame report on GSL's aborted asylum centre.*
Reliance Security	Reception and Opera recital at Middle Temple Hall 6/07*	*Enjoyed the opera after producing favourable report on electronic tagging, a big earner (along with PFI prisons) for Reliance.*
PricewaterhouseCoopers	9 dinners in 3 years, including at the Savoy, the Ivy and the Lanesborough	*Continued to pay millions annually from the NAO budget to PwC, the largest consultant to government, notably on PFI.*
KPMG	Opera at Glyndebourne 6/05* Chelsea flower show 5/06* Viewing of Art of Italy, Queen's gallery*	*Continued to pay millions annually from the NAO budget to KPMG, the second largest consultant to government.*

*accompanied by Lady Bourn. For full details see www.nao.org.uk/Publication_Scheme/travel_hospitality.htm

"delightful and unassuming man". As Bourn's (hand-picked) deputy for eight years, Burr had indeed been sufficiently unassuming never to have questioned his boss's excesses. Clearly, "unassuming" was what parliament wanted from its watchdogs.

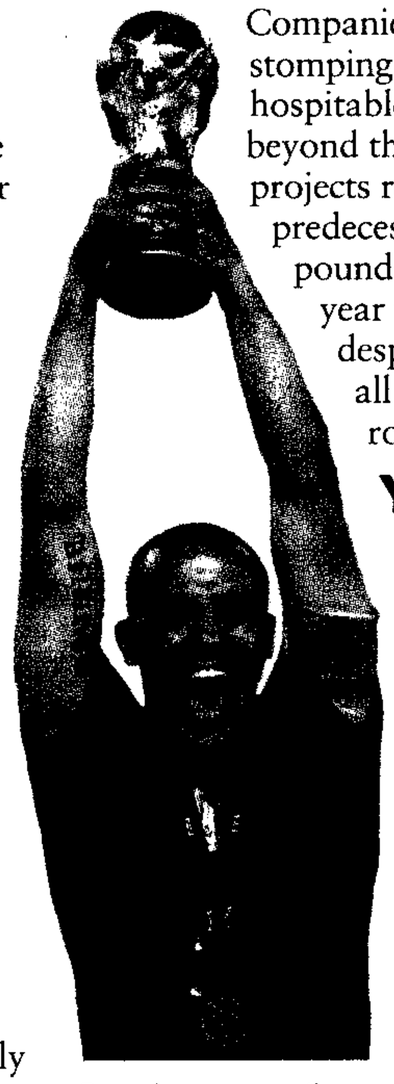
Once out of office Sir John's self-assessment of his career was equally generous. "I do not think I've been there too long. I've been successful for the whole 20 years," he told the *Daily Telegraph*. Weeks later he wasn't so kind to some of those he had lunched with and audited over the years. "The whole culture of the senior civil service needs to be changed," he wrote in the *FT*. One area he likened to "the structures children build with toy bricks... likely to come tumbling down" was the large defence equipment programme, concluding that "the range of projects should be more strictly controlled at the outset".

Why had Bourn not made these criticisms when his words might have counted? Once again further junkets, unearthed by the *Eye* once Bourn had resigned, gave a clue.

To the manor Bourn

Over two and a half years up to September 2007 Sir John had been taken out 83 times, often with Lady Bourn. The most ardent schmoozers like EDS had entertained him repeatedly (a big no-no elsewhere in government). And not just for a drink or a meal: life as an auditor general, when in the country and not out to lunch, was a sporting and cultural extravaganza from the Open golf championship at Hoylake, opera at Glyndebourne and Garsington Manor, to air shows, grand prix, rugby internationals and even the 2006 football World Cup final in Berlin!

More alarming was the favourable treatment that the schmoozers had received at the hands of the NAO [see *Schmooze & Effect*, above]. Companies operating on Bourn's old stomping ground, defence, were especially hospitable. Could it be coincidence that, beyond the superficial annual "major projects report" instigated by Bourn's predecessor in 1984, the multi-billion pound deals signed by the NAO every year went barely audited? And this despite Bourn's later admission that all the time he thought they were as robust as a Lego tower.



Bourn's cup runneth over – or it did at the 2006 World Cup final with EDS

Yesterday's man

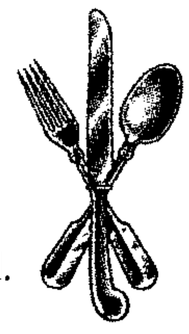
In February 2008 a review of the NAO's governance revealed something of how the organisation had been corrupted. "The NAO's senior management board... is of limited value in... maintaining good standards of governance," concluded John Tiner. "There are concerns that there is no substantive discussion of major issues... The board only has one non-executive, making it very difficult to effectively challenge the executive and the C&AG in particular".

The report also explained how Bourn was able to hand-pick his senior colleagues by simply ignoring the official code governing public appointments. The NAO's failure to report Bourn's substantial perks in its accounts – which would have exposed his habits years earlier – could be explained by the absence of an independent audit committee, something Bourn as a chief accountancy regulator had insisted on for everybody else.

On the back of Tiner's review the government promises a series of reforms to the NAO as part of its constitutional renewal bill, including a ten-year limit to the comptroller and auditor general's tenure, and a chairman and independent board to keep an eye on him. Sensible reforms, most agree, but unlikely on their own to repair the damage.

Under Bourn the NAO – responsible for policing financial probity and reporting in government – had become a law unto itself. Its leader had abused its independence to the point that monitoring public spending became a business to be conducted in the world's finest restaurants and at the most glittering social and sporting events. Ministers, officials and the swelling private interests on the public payroll escaped adequate accountability as a result.

The political establishment that his auditing regime served so well for two decades asked not a single question, never mind formally inquired into, the countless conflicts of interests and perks received in suspicious circumstances. Content with a lick of whitewash and a governance review, the MPs on the public accounts commission whose job it was to monitor Bourn's NAO bade him a fond and fitting farewell. They took him out to dinner.



PRIME MINISTERIAL DECREE NO. 26

From the Desk of the Supreme Leader

Comrades!

I return fresh from my state visit to the People's Democratic Republic of China and the world-beating triumph of 'Team GB', as they kindly called it after myself.

As supreme leader I salute the glorious achievements of our British athletes who have shown the world what can be achieved by a government which knows how to support its sportsmen in such a way that they can display excellence of the highest order in every form of sporting activity, from 1,000 kilometre pursuit Kayak racing to the two-man coxless sudoku.

What an answer to the wreckers and defeatists who say that under my leadership our nation has in some way lost prestige in the eyes of the world.

I hereby declare that in recognition of our collective achievements in the sporting sphere a special 'GB Day' will be declared, when our returning heroes will be feted in the streets of London before being welcomed to the Leader's residence in Downing Street, where they will each receive something even more valuable than gold medals – namely 'Brown Medals' awarded to 'Heroes First Class of the British Union' (or, in the case of silver and bronze medal holders, 'second' and 'third class' as appropriate).

Full details of this national celebration will be made available in due course by Comrade Jowell, Our Commissar for delivery of the 2012 Olympics.

No doubt to the disappointment of Comrades Miliband and Straw, I eagerly anticipate opening those Games in London, which I am confident will surpass even those organised by our Chinese comrades in their magnificence.

Signed

Gordon Brown

The Supreme Leader of 'Team GB'

A Full and Frank Confession from Comrade Darling, Formerly Commissar for Economic Progress now Latrine Attendant, Grade 3, Municipal Toilets, Isle of Muck

I am making this statement voluntarily and of my own accord at 3am in the basement of Number Ten, Kremlin Street and not at all under duress of any kind.

I deeply regret suggesting that the British economy was at its worst for 60 years. I meant to say that the global economy was at its worst for six years. I misquoted myself and was taken out of context.

I was also wrongly reported as saying that the public was "pissed off" with the Supreme leader and his policies. What I meant to say was that I was "pissed", as I often am, and am deeply ashamed that I let my personal weakness result in the garrulous betrayal of the Supremest Leader and Greatest Helmsman of the past 60 years.

I am seeking help and will voluntarily submit myself to a process of re-education in which I will learn that the economy is immensely strong due to a decade of capable and prudent management by Comrade Brown and that the British people are still enthusiastic about our great movement and the Father of the Nation, Uncle Gordon.

Signed GB
pp Comrade Darling
Dictated in his absence.

THE SO-CALLED GEORGIA CRISIS AND THE ALLEGED THREAT OF WORLD WAR THREE

A statement by the Supreme Leader

A number of comrades have asked why your Great Helmsman has remained silent on this issue. I would have thought that it was perfectly clear that I had more urgent matters to attend to than some trivial territorial dispute in a faraway country of which we know little – viz the preparation of my new Five Year Plan for supplying the children of the underprivileged with laptops, the building of hundreds of new giant prisons to cope with Britain's falling crime rate, and above all keeping a watchful eye on the treacherous manoevrings of the neo-Blairite Milibandist clique.

However now that Comrade Miliband has started to fly around the world making speeches about the Russians and having his photograph taken I have decided to intervene. I now make a formal warning that if this behaviour does not stop there will be a new Cold War – between me and Comrade Miliband. G.B.

COMRADE JACQUI SMITH, COMMISSAR FOR PUBLIC ORDER: A WARNING TO ALL COMRADES

Comrades, due to adverse economic conditions there is a greater than ever threat of increased crime at every level. But the most serious danger is that of being stabbed in the back. All comrades are advised to stay indoors and keep out of cabinets. Otherwise violent incidents of knifing may occur with their attendant bloodshed on the carpet.

You have been warned.

Citizen Smith.

THIS WEEK'S NEW POPULAR DEMOCRATIC INITIATIVES

By Order of the Supreme Leader

As from today, I have created a new tier of security enforcement operatives, to include anyone working for the state or one of its outsourced agencies.

These 'Comrade Snoopers' will be empowered to impose on the spot fines on any enemy of the state. They will include park keepers, wheeliebin collectors, swimming pool attendants, librarians, allotment supervisors and lollipop persons.

By this means we hope to extend the role of democracy and to free up our police personnel for their vital role in processing paperwork. G.B.

HAPPY, DARLING?

You've never had it so bad!
Some mistake surely?
We're all doomed!
Well *you* are...
Er... er...
You can't have the Chancellor undermining the Prime Minister

QUEEN ADMITS 'YES, I NEVER DID COKE'

by Our Showbiz Staff **Phil Nostril**

IN A sensational interview with HMQ magazine, Her Majesty The Queen candidly admits that she never snorted cocaine when she was young and didn't enjoy it a great deal.

The Queen also confessed that she had not suffered in her career from "being blonde and having large breasts".

On Other Pages

● *'Yes, I Took Cake,'* says Dame Helen **94**

GLENDA SLAGG

Fleet Street's Hacky Mum (Surely 'Hockey Mum'?! Ed.)

■ **FUR HATS OFF to Alaskan beauty Sarah Palin!?!! She's the new Republican running mate, stoopid!?!! She's the huntin', shootin', fishin' femme fatale from the land of the Eskimoes *(Is this right? Ed.)* But there's nothing ice-cold about this gun-slingin' gal with a smile that can melt an igloo at a hundred paces!?! No wonder Grandad John McCain has got a new spring in his step – with this Alaskan Annie Oakley a-rootin' and a-tootin' at his side. I tell you what, Mister, Obama is going to end up as a stuffed head over the fireplace – along with all the mooses!?!**

■ SARAH PALIN!?!! What a disaster!?!! Gawd help us all – this gun-crazed right-wing Inuit nutter could be one heartbeat away from being President!!?!! Because, let's face it, Grandpa McCain could drop dead at any second!?! And then it's World War Three, with Psycho Sarah pressing the red button!!?! Boom! And it won't be just a moose this time, it'll be all of us!?! No, I say that with Eskimo Nell standing and Pappy McCain a-droolin' and a-dribblin' at her side, Obama can start choosing the curtains in the White House right now!!?!

■ *HERE THEY ARE – Glenda's September Stallions!?!*

● **John Sergeant.** Star of *Strictly Come Dancing*!?! Quick Quick Slow!?! That's the way I like it, Big Boy!?!

● **The Duke of Sutherland.** Fancy a lovely pair of Titians, My Lord!?! And all for free!?!

● **Hashim Amla.** South Africa's top batsman, of course!?! Crazy name, crazy beard!??!

Byeee!!

FEARS GROW FOR CAROL THATCHER – HAS SHE LOST HER MARBLES?

by Our Mental Health Staff **Al Zheimer** and **Dee Mentia**

FRIENDS of Carol Thatcher are said to be increasingly concerned about her mental state, as she enters her twilight years.

Formerly spry, vivacious and forceful, Miss Thatcher is now said to be in a sad state of decline, unable to talk about anything except her mother.

At a recent literary luncheon, where Carol was billed to talk about her special subjects – skiing in Verbier and eating insects on TV's *"I'm A Celebrity, Get Me Out Of Here"* – she instead horrified her audience by blurting out "Mummy's gaga, you know. She's out to lunch... as indeed am I. Can I have my cheque, please?"

Carol Thatcher is 94.

"Don't look so glum! How bad can the polls be?"

TIGER SHOT BY PUTIN

by Our Man in Siberia **Hunter Davies**

THE Russian Prime Minister last night sent a clear message to tigers everywhere not to oppose his policies.

Mr Putin shot the tiger in question after a disagreement over Russia's regional expansion in the Caucusus.

The tiger was believed to have expressed doubts about the re-establishment of Russian hegemony in states formerly belonging to the old Soviet

Union, thus provoking the Russian leader to shoot him.

Full story and pix. Huntin', Fishin', Putin p.94.

THAT MILIBAND ULTIMATUM TO PUTIN IN FULL

by Our Global Affairs Staff **Georgia W. Bush**

THE WORLD was stunned last night when David Miliband issued a stern ultimatum to Russia's prime minister Vladimir Putin over his recent attempts to start World War 3.

In forcefully undiplomatic language, Britain's no-nonsense Foreign Secretary warned the Russian dictator that if he carried on behaving in the same way as he had been doing for the last three weeks over Georgia and Ukraine there might well be consequences that Mr Putin would regret.

Mr Millipede went even further. Making his position crystal clear, he told Mr Putin that if Russia invaded Britain then the British government would have to give serious consideration to the option of refusing to buy any more gas from Russia, possibly.

● That world-shaking Millipede speech in full **23-38.**

LATE NEWS

THREE MEN CHARGED WITH BROWN PLOT

ANTI-TERROR police have confirmed that three men have been detained over an alleged plot against Gordon Brown after a number of addresses in central London were raided overnight.

(Reuters)

Daily Mail

FRIDAY, SEPTEMBER 5, 2008

FALLING HOUSE PRICES MAY CAUSE CANCER

By Our Property Staff
Phil Page

MILLIONS of householders could soon be dying of falling house prices, a new study warned today.

Scientists have discovered a previously undiscovered and extremely virulent form of cancer which is brought on by the stress of reading the Daily Mail.

Says leading researcher Paul Dacre, "The government must act at once, or the value of my house

could go down by £250,000 in the next week, which would be a disaster for Britain."

On other pages: *Are you HIP Positive?* asks Steven Glover **94.**

PLUS ● Today's Free DVD Offer 'A Bruges Too Far', classic World War Two drama, starring John Mills, Anthony Steel, Anthony Quayle and Jean Simmonds.

Nursery Times

Friday, 5 September, 2008

PETER PAN AT 50 – HOW HE WOULD LOOK

by Our Man In Neverland **General Sir Michael Jackson**

A PICTURE has been published today depicting how the legendary boy who never grew up, Peter Pan – known to his fans (Sid and Wendy Darling) as Potty Pete – might have looked had he become a normal adult.

PETER PAN: Then and Now?

The computer-generated image shows a middle-aged

(cont. p. 94)

On Other Pages

● Prince Charming and Cinderella – sexy pics stolen **3**
● Gingerbread House Price Fall – "I've lost hundreds and thousands," complains witch **4** ● Row over Quite Contrary Mary's GM Garden **94**

"Having a little 'me' time, Narcissus?"

Advertisement

CHEAP FRIGHTS with RYANAIR

Just look at these amazing new offers

Stansted ---→ The Toilet **£35**

Luton ---→ Hospital Cardiac Unit **£25**

Manchester ---→ Heaven* **£15**

*one way ticket only

RYANAIR
Britain's favourite SCAIRLINE!

Advertisement

art news

HELP SAVE THE TITANS FOR THE NATION

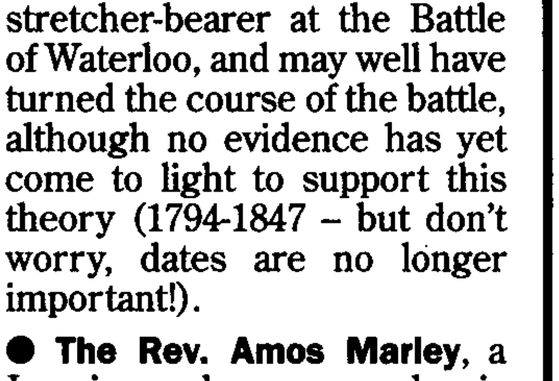
says **Brian R. Sewell**

These priceless Titan prisons, worth at least 300 million each, are in danger of being lost to Britain due to the current economic slowdown.

Eye readers are asked to contribute generously so that these marvellous prisons can be enjoyed by thousands of British criminals for years to come.

MODERN SEA SHANTIES

What shall we do with the coked-up sailor
What shall we do with the coked-up sailor
What shall we do with the coked-up sailor
Early in the morning?



Put him on duty, drug-patrolling
Put him on duty, drug-patrolling
Put him on duty, drug-patrolling
Early in the morning?

© HMS Ironic, The Royal Navy, c/o The Very High Seas

BLACK BRITISH HISTORY NOW TOPS CURRICULUM

by Our Education Staff **Conrad Blackboard**

THE teaching of history in Britain's schools is to be given a new look, under guidelines drawn up by the Qualifications Advisory Curricular Knowledge Educational Reorganisation Service (QUACKERS).

Said the board's director, Mr Ray Pilchard, "Our aim is to reorient the learning experience away from a white monofocus towards a more diverse, multi-cultural awareness of the paramount contribution made by ethnic minorities to the formation of British identity over the centuries."

OUT GO

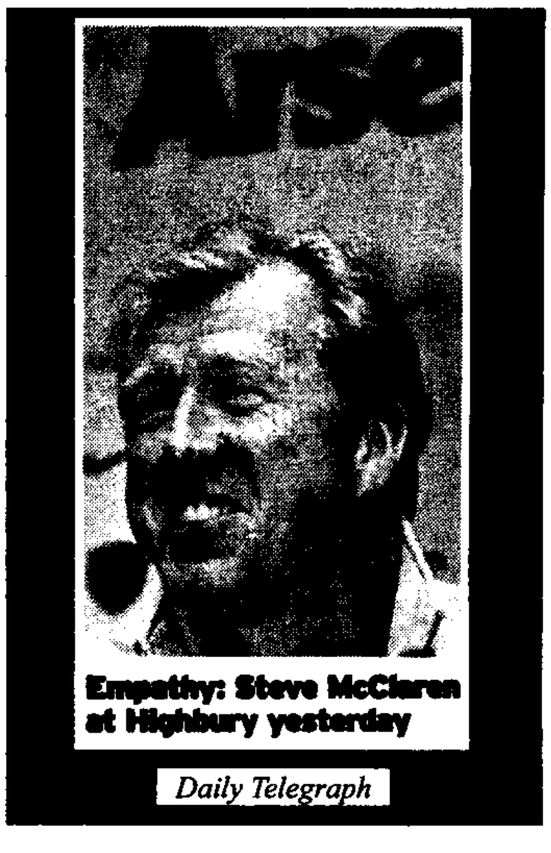
- **Winston Churchill**
- **William Shakespeare**
- **The Venerable Bede**

IN COME

- **Leroy Onanugu**, who was a stretcher-bearer at the Battle of Waterloo, and may well have turned the course of the battle, although no evidence has yet come to light to support this theory (1794-1847 – but don't worry, dates are no longer important!).
- **The Rev. Amos Marley**, a Jamaican clergyman who is credited with inventing the trouserpress a full two centuries before Mr Corby claimed credit for the device that has won him world fame (dates 1705-62 – though again these are not important and all candidates are to forget them at once).
- **Jemima Hendrix**, Bristol fish-seller who would have been the first black woman to swim the English Channel if she had been given the chance to learn how to swim (dates 1901-1945 – or much the same time that the Nazi Holocaust was at its height, about which pupils will have learned in Key Stages 1, 2, 4, 5 and 7).

the PREMIERSH*TS

PAUL WOOLEY



Empathy: Steve McClaren at Highbury yesterday

Daily Telegraph

Letters *to the Editor*

The Olympic Handover

SIR – Along I feel sure with your readers, I watched with horror the embarrassing spectacle of the so-called "handover" ceremony to London from Beijing (or Rangoon, as those of us who have been out east would still prefer to call it). Have we nothing better to show the world as a symbol of British achievement than a double-decker bus on which cavorted the yobbish Mr Beckham kicking a football and a half-naked popular female singer (whose name mercifully escapes me), accompanied on the electric guitar by a German gentleman whose only claim to fame was to have invented the Zeppelin airship? Why on earth could we not have staged a pageant more in keeping with our country's contribution to world history and culture? Where, I should like to know, were the band of the Coldstream Guards? Where was the fly-past of Spitfires, Hurricanes and Sopwith Camels? Where were the serried ranks of Boy Scouts, Girl Guides and members of the Women's Institute? Where were our Morris dancers, the envy of the world? Where were London's proud traffic wardens with their gaily-coloured uniforms? Where were our celebrated "promenaders" waving their Union Jacks as they sang Land of Hope and Glory? And where, above all, was Her Majesty the Queen surrounded by her beloved Corgis, a supreme symbol of Britain's sporting achievement down the ages? No wonder that we all turned off our televisions off in sorrow and in shame. How ill this spectacles bodes for the kind of national humiliation we can expect when London plays host to the world in 2012.

Sir Herbert Gussett
The Old Velodrome,
Addlington, Cheshire.

SIR – Half an hour after one Chinese Olympic Games, I find that I want another one!
Mike Giggler
Via email.

Letters and emails

The Olympic Handover

Dear Sir,

Along I feel sure with all your readers, I felt totally and utterly sickened by the so-called "handover" ceremony to London from Beijing. Have we nothing better to show the world as a symbol of Britain's vibrant and pluralist multi-cultural society than the sight of the Tory buffoon Boris Johnson parading across the world stage as the epitome of effete and outmoded elitism? Where were the reggae bands and rap singers who have made the Notting Hill Carnival the envy of the world? Where were London's celebrated gay policemen marching with their truncheons proudly held high, for their rights to marry each other? Where were our world-famous wheelie-bin inspectors, quite rightly handing out penalties for overfull bins? And where, above all, was the supreme symbol of all that modern London stands for, Mr Ken Livingstone, surrounded by his treasured newts? No wonder we all turned off our televisions in sorrow and shame. What a sad contrast to the two-week long astonishing display of Socialist unity and achievement to which the world had just been treated by the People's Republic of China.

Yours faithfully,
Barry Spartfield
Parks and Events Director, Haringey Leisure Services Division (part of the Haringey Council Family – "Haringey, Working For You"

Dear Sir,
Will Chinese restaurants now be offering "Bird's Nest Stadium Soup"? It certainly looked good enough to eat!?!
Mike Giggler
Via email.

My Beijing Diary

by Boris Beano, Mayor of London

Cripes! China is incredibly big and it's got a lot of chaps in it. Millions of them. Lots of them riding bikes like me. And they're all smiling away like billy-o, because they're all so jolly happy.

I know a lot of the sour grapes brigade go on about what a raw deal Johnny Chink gets, human rights and all that PC baloney. But once you've actually been there, like yours truly, you can see just how wrong they are. I mean, did you watch the Olympics opening bunfight, with all those millions of dancers banging drums and having the time of their lives? Happy as sandboys, every one of them. And what about those girls? Phwoar! Eh? It wasn't just the heat that made BoJo sweat under the old Eton collar, I can tell you! Golly!

Don't believe the knockers when they have a go at our brilliant London show, with the bus and chummy Becks kicking that football. I tell you, it was the highlight of the whole bally Games. And all the Chinese chappies were laughing away, saying that they'd never seen anything like it.

Sorry to swank, but the best moment of all was when they gave me the flag to wave about. "Be careful not to drop it," said my friend Mr Hu Hee. "We don't want you making a fool of yourself." I told him there was no chance of that. He then told me that if I did drop it I would be arrested and sent for twenty years' re-education in a distant province. Who says the Chinese don't have a sense of humour?

Here's something else I bet you didn't know. You can't actually see the Great Wall of China from outer space. That's just one of those urban piffle things, like the Tibetan stuff.

No, according to my hosts, apparently the only thing you can see from space is Boris waving his flag!!! Beat that if you can, Dave Cameron! Oops! Better go now before I put my foot in it!!

EXCLUSIVE TO ALL PAPERS

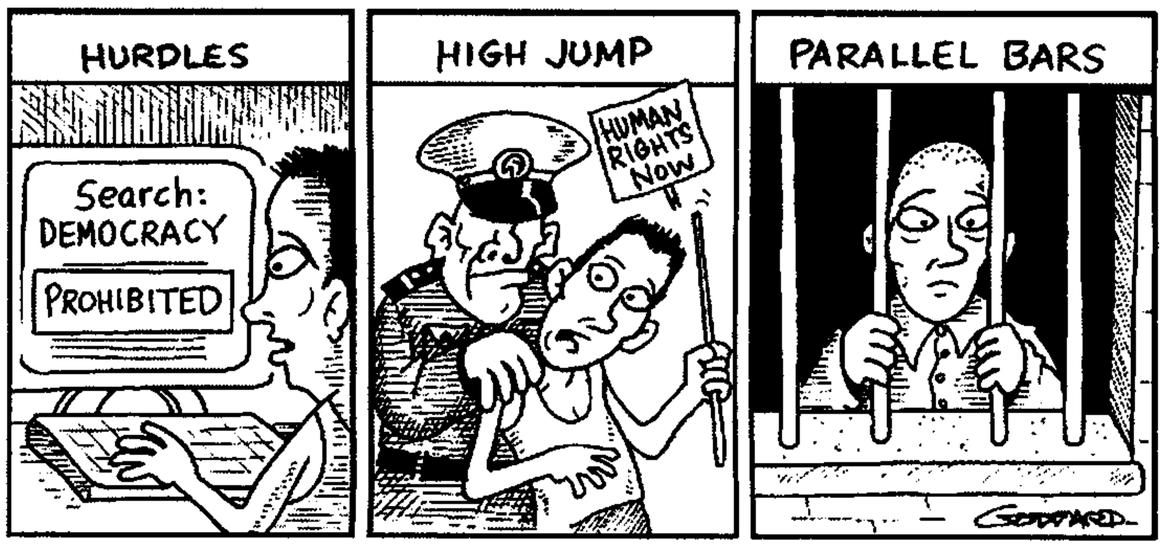
TRIUMPHANT HOMECOMING FOR BRITAIN'S GOLDEN PAEDOPHILE

THOUSANDS of hacks lined the streets yesterday to welcome home Britain's top paedophile Gary Glitter as he flew in from the Far East after his record-breaking three years in gaol.

Looking glad to be home, Mr Glitter sped off to a hero's welcome at the local police station.

Full story and pics of bearded man hiding from camera pp8-15.

POST-OLYMPIC EVENTS



Are Olympics getting easier?

by Our Education Staff **A.A.A. Gill**

AS THIS year's Olympic league tables were published showing a record number of gold, silver and bronze medals, the question is once again being asked "Are the Olympics just too easy?"

"It's ridiculous" said one expert, "In the old days you had to run really fast to get a medal. Nowadays you can just hop on a bike or climb on a boat. Don't tell me that standards haven't fallen *(contd. p. 94)*

FURY OVER OLYMPIC 'BEST OF BRIT' VIDEO

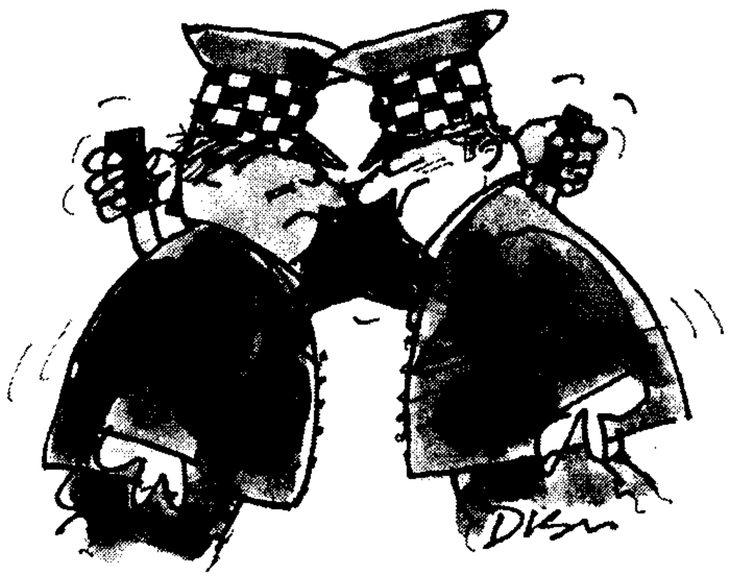
THERE WAS widespread disgust today after a "Best Of British" video, shown yesterday as part of the Olympic handover, briefly featured an image of Prime Minister Gordon Brown.

"The man is a monster. He has hurt so many people. How can they do this?" said Tory backbencher Mike Soundbite.

"This isn't the face of Britain we want to show to the rest of the world," said Labour backbencher Jim Renter-Quote.

Moors murderer Myra Hindley added, "Brown is the symbol of evil, not a beacon of everything that is good about Britain."

Knife crime at the highest level



The Sun Says

ALL right-thinking *Sun* readers are disgusted that the vile predator Gary Glitter can be allowed to walk free on the streets of Britain.

Just yesterday the sick pervert was spotted in a newsagent on the south coast openly leering over a sickening publication he had just purchased – one in which young girls, most of whom barely look 18, expose their breasts on page 3 for the salacious pleasure of older men.

How perverts like Gary Glitter can be openly allowed to buy copies of perverted filth is *(You're sacked. Rupert.)*

POETRY CORNER

In Memoriam Dave Freeman: Author of *100 Things To Do Before You Die*

So. Farewell
Then Dave Freeman, 47,
Author of *100 Things To Do Before You*
Die.

Sadly, you had only got
To Number 50
And then you
Died.

Which was not
On the
List.

E.J. Thribb (17½
things to do before I finish this poem)

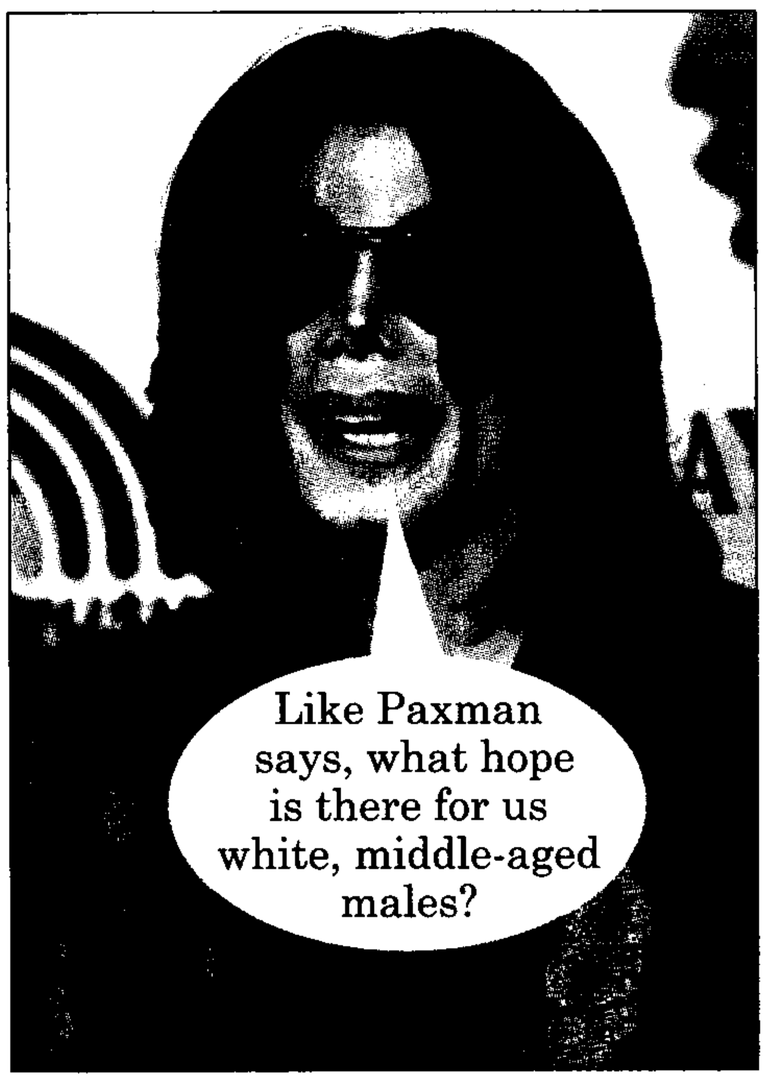
THOUSANDS FLEE AS GUSTAV APPROACHES

by Our Music Staff
Sir Simon Rattle-Windows

THOUSANDS of music lovers were last night said to be fleeing from the Albert Hall following news that Gustav Mahler was approaching with a Force 9 Symphony.

Full story & pix 94

MICHAEL JACKSON WORRIES HE'S WASHED UP AT 50



From The Message Boards

Members of the online community respond to the major issues of the day...

Government proposes 'Britishness' day

Thanks, Bottler, for generously allowing us to be British for one day each year. Then we can go back to being foreigners in our own country for the other 364. – ***Cyril_the_cynic***

The "British" are a mongrel race. As an Englishman with a thousand years of Angelfolc blood coursing through my veins, I want no part of the British experiment (forced upon the English people by Queen Anne and the politically correct brigade). – ***Athelstan***

Racism raises its crude and ugly head whenever this subject is discussed, as one would expect in a land where ignorance is the norm. As a racialist, who deals in scientific fact rather than vulgar rabble-rousing, I bear no grudge towards the immigrants who flock to our crowded island. To do so would be to blame the wasp for entering the jam jar. Look instead to the "Guardians" of the jar, who left the lid off. And their international masters. – ***Sword_of_Truth***

Olympic ceremony in Beijing

they put the child murderer-er mira henlys face in the best of brit-ish film! ● an at the olimpic's on the london bus they had a gitarist waring a myra henly mask!! ●●● – ***Eye_4_an_eye***

It was Jimmy Page of Led Zippering and its his real face not a mask but may-be they used special affects to make him look like Myra? – ***Darling_Deneyze***

He worships the devil and he is wicked beyond belief. – ***Rot_in_hell_Myra***

Jade Goody told of cancer on live TV

Why don't the Goodies get together again and make a record to raise awareness? It would give poor Jade something to smile about. ☺ – ***Binny***

tippycle jayde im a celebrity goody as soon as maddie is back in the new's she anoance's she is ill and get's on the front page. ●
SHAME ON U JAYDE!!!! – ***Justice_4_Maddie***

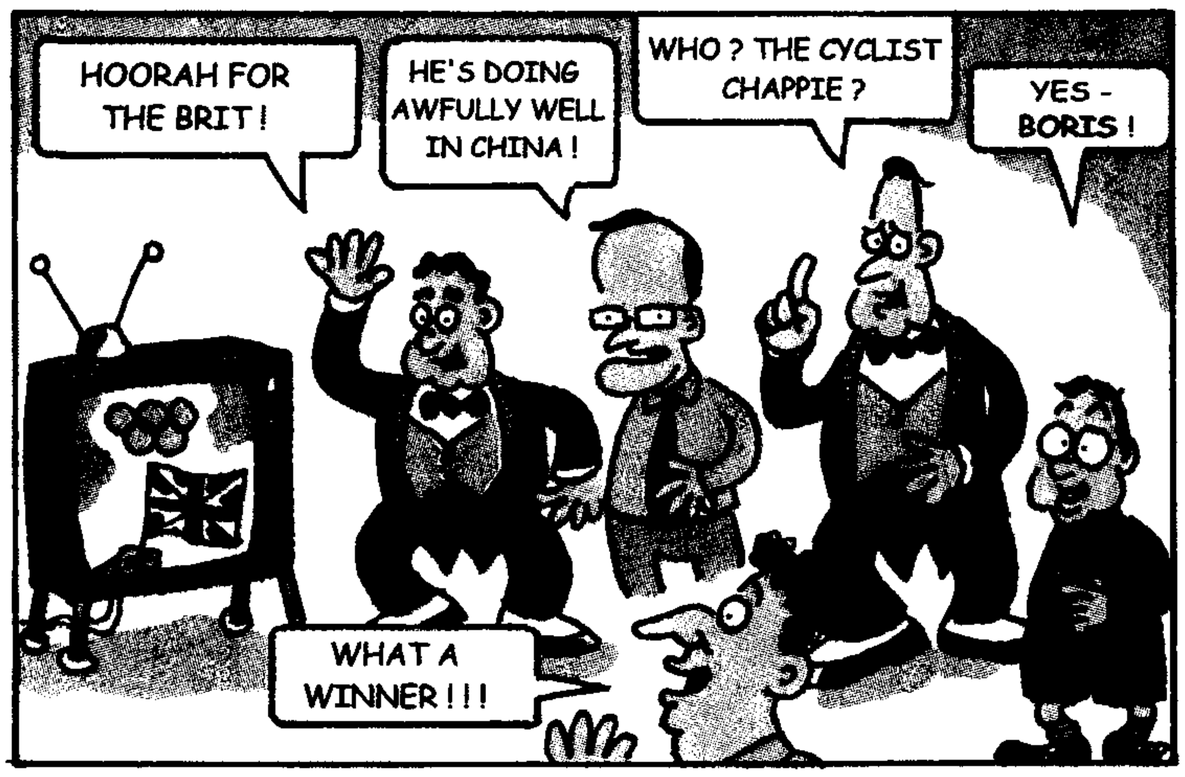
Orgreave monument planned

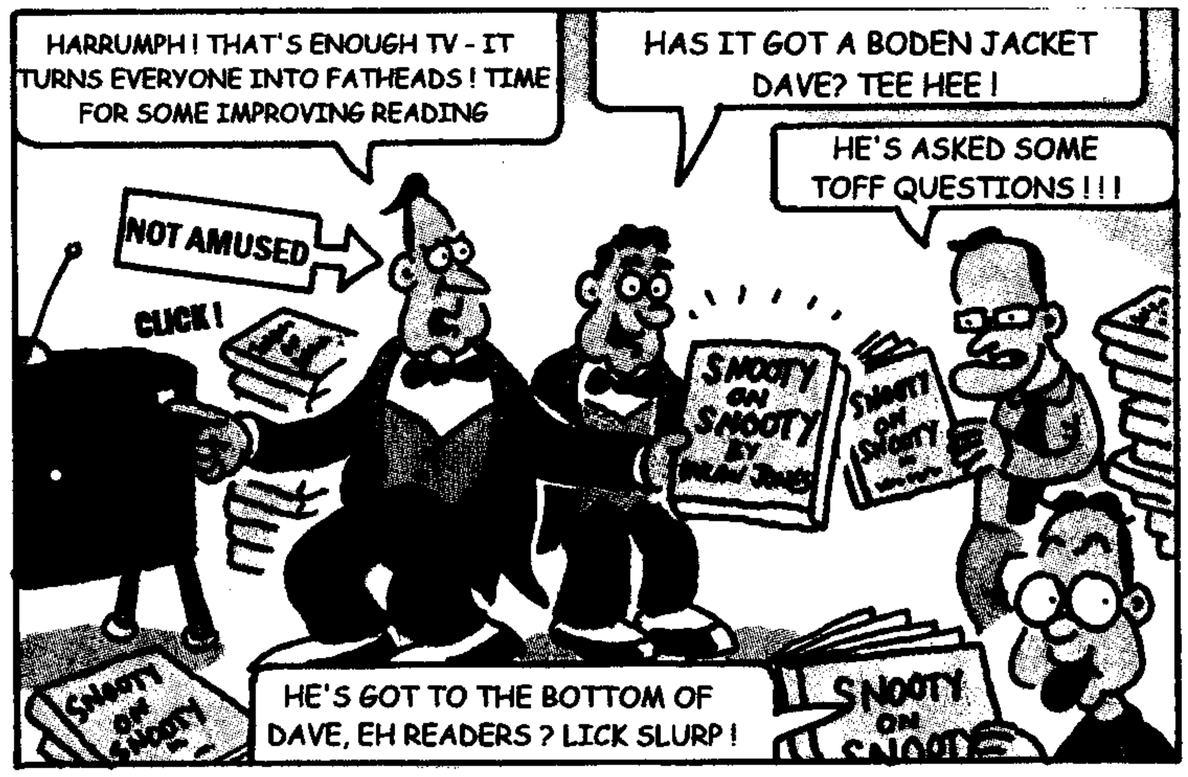
Will Keith Harris get one too? – ***Fit_for_Porpoise***

And Cuddles?! – ***Prima_Donut***

Great stuff! Who is Keith Harris? – ***Bogbrush***

Dave Snooty AND HIS PALS

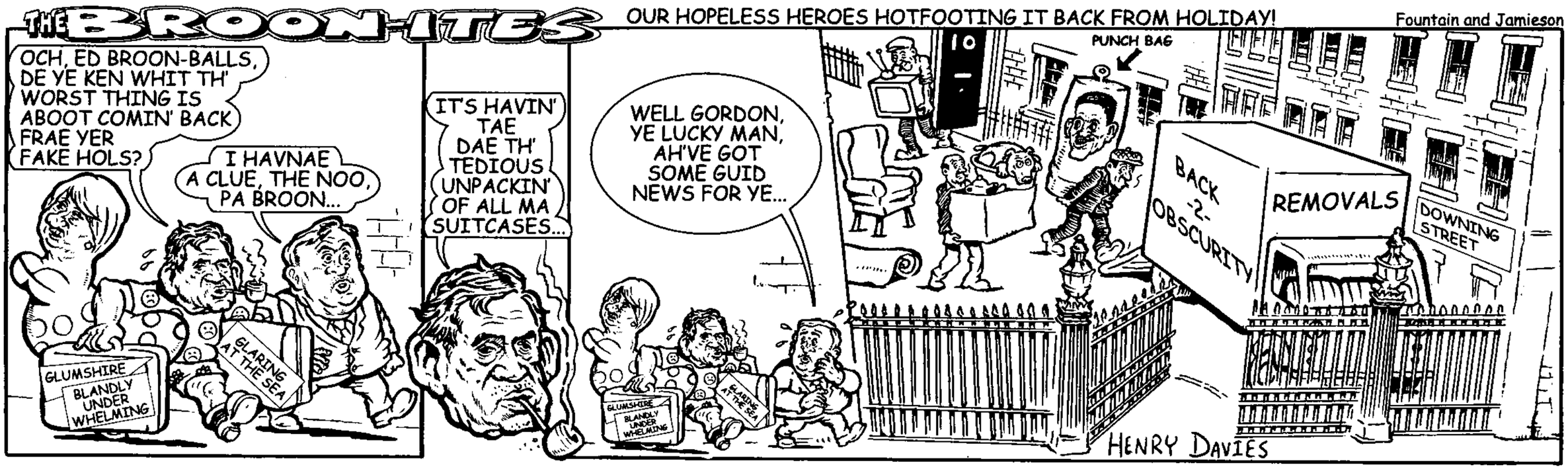



HARRUMPH! THAT'S ENOUGH TV - IT TURNS EVERYONE INTO FATHEADS! TIME FOR SOME IMPROVING READING
HAS IT GOT A BODEN JACKET DAVE? TEE HEE!
HE'S ASKED SOME TOFF QUESTIONS!!!
NOT AMUSED
CLICK!
SNOOTY ON SNOOTY BY
HE'S GOT TO THE BOTTOM OF DAVE, EH READERS? LICK SLURP!
SNOOTY ON SNOOTY

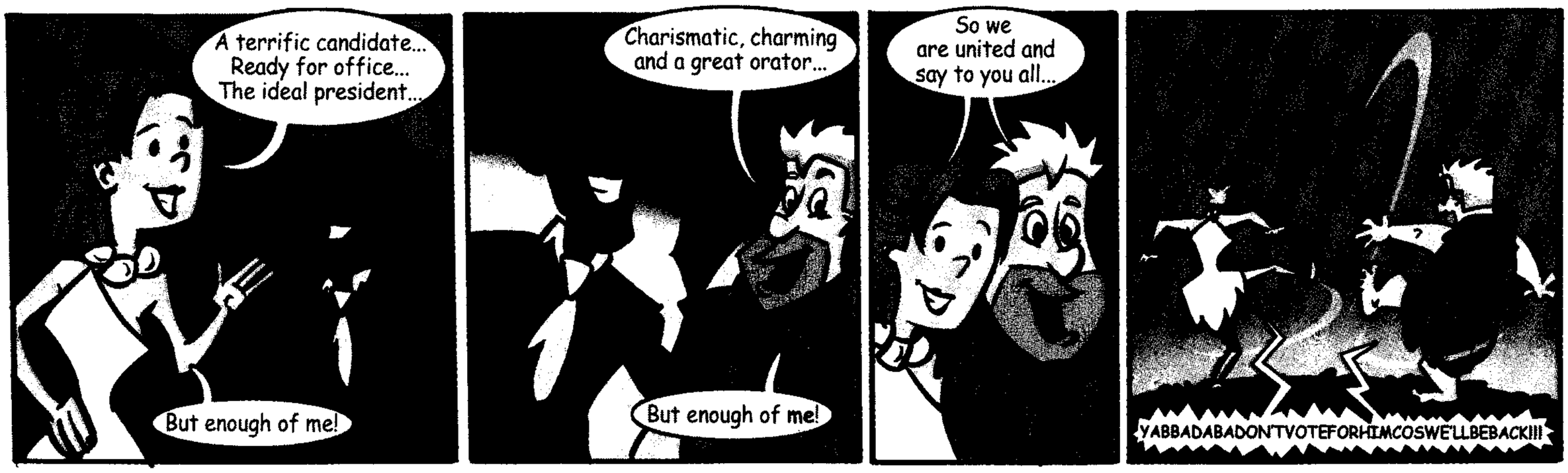
THE BROON-ITES

OUR HOPELESS HEROES HOTFOOTING IT BACK FROM HOLIDAY!

Fountain and Jamieson

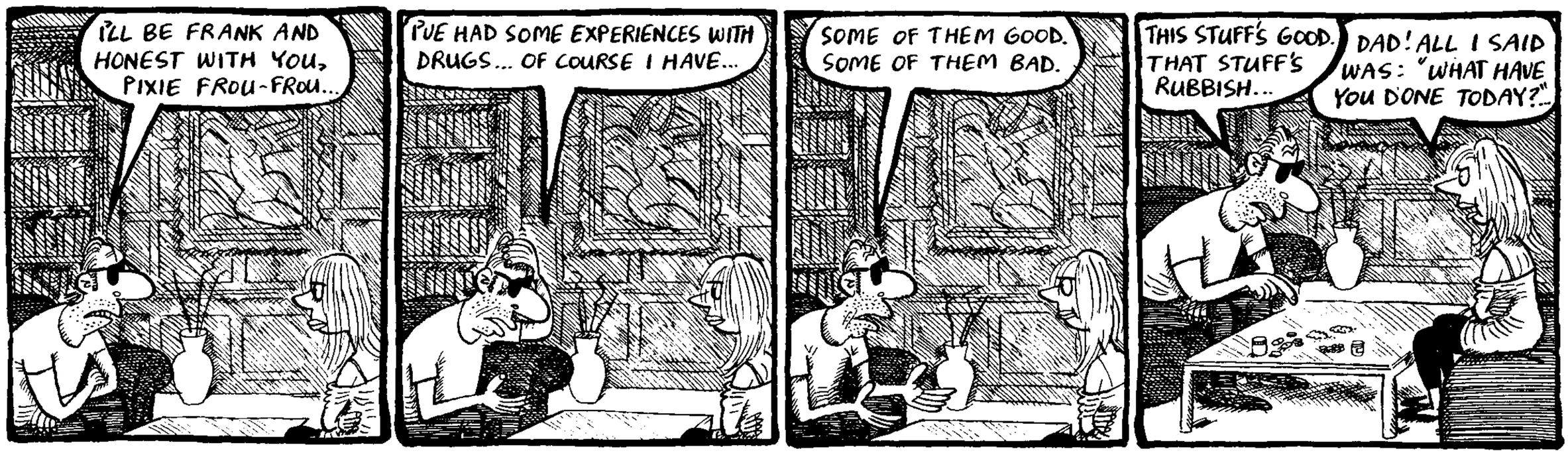

OCH, ED BROON-BALLS, DE YE KEN WHIT TH' WORST THING IS ABOOT COMIN' BACK FRAE YER FAKE HOLS?
I HAVNAE A CLUE, THE NOO, PA BROON...
GLUMSHIRE BLANDLY UNDER WHELMING
GLARING AT THE SEA
IT'S HAVIN' TAE DAE TH' TEDIOUS UNPACKIN' OF ALL MA SUITCASES...
WELL GORDON, YE LUCKY MAN, AH'VE GOT SOME GUID NEWS FOR YE...
PUNCH BAG
BACK -2- OBSCURITY
REMOVALS
DOWNING STREET
HENRY DAVIES

NOT THE CLINTSTONES - THE PREHISTORIC FIRST FAMILY - THE LAST EPISODE?


A terrific candidate... Ready for office... The ideal president...
But enough of me!
Charismatic, charming and a great orator...
But enough of me!
So we are united and say to you all...
YABBADABADON'TVOTEFORHIMCOSWE'LLBEBACK!!!

Celeb

LIGGER


I'LL BE FRANK AND HONEST WITH YOU, PIXIE FROU-FROU...
I'VE HAD SOME EXPERIENCES WITH DRUGS... OF COURSE I HAVE...
SOME OF THEM GOOD. SOME OF THEM BAD.
THIS STUFF'S GOOD. THAT STUFF'S RUBBISH...
DAD! ALL I SAID WAS: "WHAT HAVE YOU DONE TODAY?"

Literary Review

Aspects of the navel

The Act of Love
Howard Jacobson
(Cape £17.99)

The Casebook of Victor Frankenstein
Peter Ackroyd
(Chatto & Windus £16.99)

WHAT unites these two darling items, each nattily got up in stout hardback, daintily caparisoned in their glossy, laminate jackets, each with a series of fervent encomia glowing from the back-jacket? (A. C. Grayling's paean to Howard's last

one is notably shameless, by the way, as he happens to be the proud author's particular chum.)

Well, each comes from the pen of a celebrated literary eminence: Howard here notes a round dozen of past works in the "By the same author" column, while Peter admits to no fewer than 27, even allowing for a forgivable amnesia over such early trifles as *Dressing Up*, his twenty-something study of, ah, transvestism. Each has unaccountably failed to make the Man Booker roster, and in consequence will be lucky to sell more than 1500 copies, Waterstone's discount or no Waterstone's discount. Each, more to the point, is an example of that increasingly desperate, listless and winded genre, the "literary novel".

What is a "literary novel" exactly? Gentle reader, you read one once. Was it one of the ones in which Hugo and Araminta went about coolly committing adultery in North London while the GLC perished around them? Or one of the ones set in post-colonial foreign climes, full of swirling butterflies and other magical-realist ornament? Never mind. Judging by these two, "literary novels" share some distinctive characteristics. The first is their well-nigh complete detachment from what might be called the processes of ordinary life. Old Peter here has dished up another of his historicals, in which the young Victor Frankenstein studies at Oxford, hooks up with "Bysshe" Shelley and his sister and starts making electrical experiments with cadavers. Howard's new one, meanwhile, features an antiquarian bookseller named Felix Quinn, who imagines – and no matter how hard he tries Howard can never quite make us believe this – that the naughtiest erotic thrills in a relationship are obtained by the man convinced that his inamorata is knocking off someone else.

The second is that fatal habit of tying yourself in knots in search of a style. Peter rattles on a treat in pursuit of the Wordsworthian sublime ("I believe that my spirit of daring and ambition was bred directly from the vision of altitudes") or the forensically hands-on ("His was the most beautiful corpse I had ever seen"). Howard, on the other hand, is a fan of the beetle-browed-portentous ("Before the willow tree came into full leaf she had a lover"). The third and perhaps the most culpable failing of them all is that both novels are really only projections of other works of art, extrapolations from existing texts or pictures. Peter, of course, has the whole of Gothic literature to ransack. Howard has to make do with representations of jealousy, but even so, surfing from *Othello* to Nietzsche by way of Joyce, Bataille and a gallery or two's worth of the Wallace Collection, he still manages to whomp up one hell of a storm.

As to what all this devious recalibration of great works of bygone literature might ultimately realise, the answer is not so much a novel full of more or less realistic people plausibly at large in a recognisable world, as a performance, a kind of hermetically sealed box from which most of "life" has been rigorously excluded and the only person making any noise is the distinguished author.

Books & Bookmen

■ THIS week Gail Rebuck's Random House launches a new imprint, Square Peg, a "commercial non-fiction" list with initial titles including a much-needed new cookbook (there are so few of those around) and a self-help book for mums on a budget. Even excluding Transworld fiefdoms she also controls such as Bantam and Doubleday, this takes Rebuck's gargantuan conglomerate to 26 imprints, ranging from prestigious Cape and Chatto to two soft-porn lists. Preface and Bodley Head were launched or relaunched earlier this year, and Tamarind (multicultural children's books) and Windmill (paperbacks – although RH already has Arrow and Vintage for them) are coming soon.

Many outside the firm are puzzled by this restless activity and, more generally, monster publishers' lust for more and more subdivisions: it's as if they're taking the phrase "publishing empire" literally and endlessly acquiring or opening up new territories in high-Victorian style.

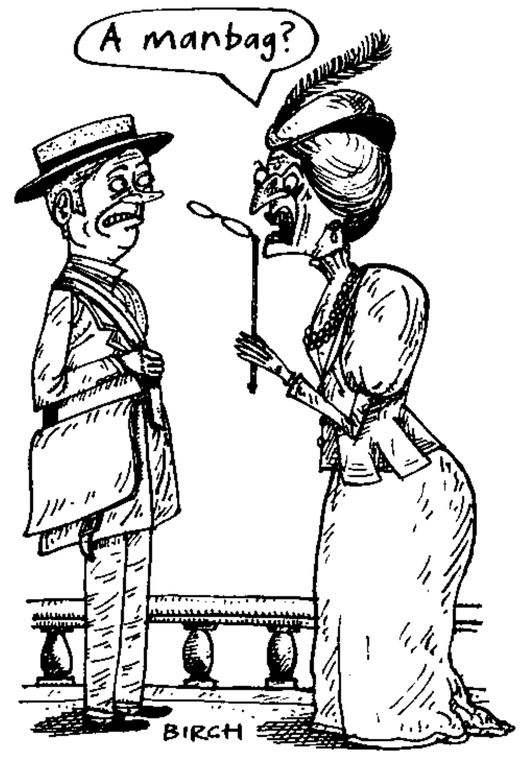
One consequence is a plethora of meaningless labels. Square Peg and Windmill join a recent string of mystifying monikers that also includes Penguin's Fig Tree and HarperCollins's Blue Door. Another side-effect is the blurring of identity and increasingly pointless overlap. At RH literary novels may be published by Cape, Chatto, Harvill Secker, Heinemann, Hutchinson and Vintage Originals; serious non-fiction by most of the same plus Bodley Head.

What links the new launches is a tacit admission of failure. Bodley Head acknowledges that Rebuck's messy sprawl of lists that do some highbrow non-fiction are not producing hits or award-winners. Square Peg fills a gap somehow left by Ebury, a commercial super-division so vast it has its own spin-offs. There's a simpler solution, though, and it should be obvious: ensure that editors at existing imprints aren't asleep on the job.

■ UNTIL recently Mitzi Angel was an editor at Fourth Estate, where her authors included Chimamanda Ngozi Adichie, Ishmael Beah and Alaa Al Aswany. Now the 34-year-old high-flyer works in Manhattan for Faber's US arm, and "Britsy Mitzi" was interviewed by the *New York Observer* last week about the book scene she's left behind. It seems unlikely she'll be returning soon.

"The chains in the UK," Angel said with evident distaste, "are competing with supermarkets – you know, where you buy your *food*. And now they also sell books, at huge discounts, and they buy them at huge discounts from publishers. They're where you buy everything, these huge places. And most of the books are *rubbish*. They have a small number of reasonably good books, but they sell them at a quarter of the price on the cover.

"So the book chains feel very anxious about this and try to copy what the supermarkets are doing.



Browsing in some of these bookshops now is almost impossible. You see the same books over and over again, and most of them are celebrity biographies."

All true, and thoughts no one still in UK publishing would dare to utter.

■ TONY PARSONS must be upset. Last time *GQ* editor Dylan Jones produced a book, Parsons was the *GQ* columnist chosen as praise-singer on the jacket. This time he's replaced by another avid puffer on Jones's payroll, Matthew d'Ancona.

"Dylan Jones has had the sort of access of which most political journalists can only dream," runs Fat Matt's quote for *Cameron on Cameron*, "and brings to his subject formidable writing talent, wit and wisdom. This is an important book and a must-read for anyone who wants to understand the man who would be Prime Minister."

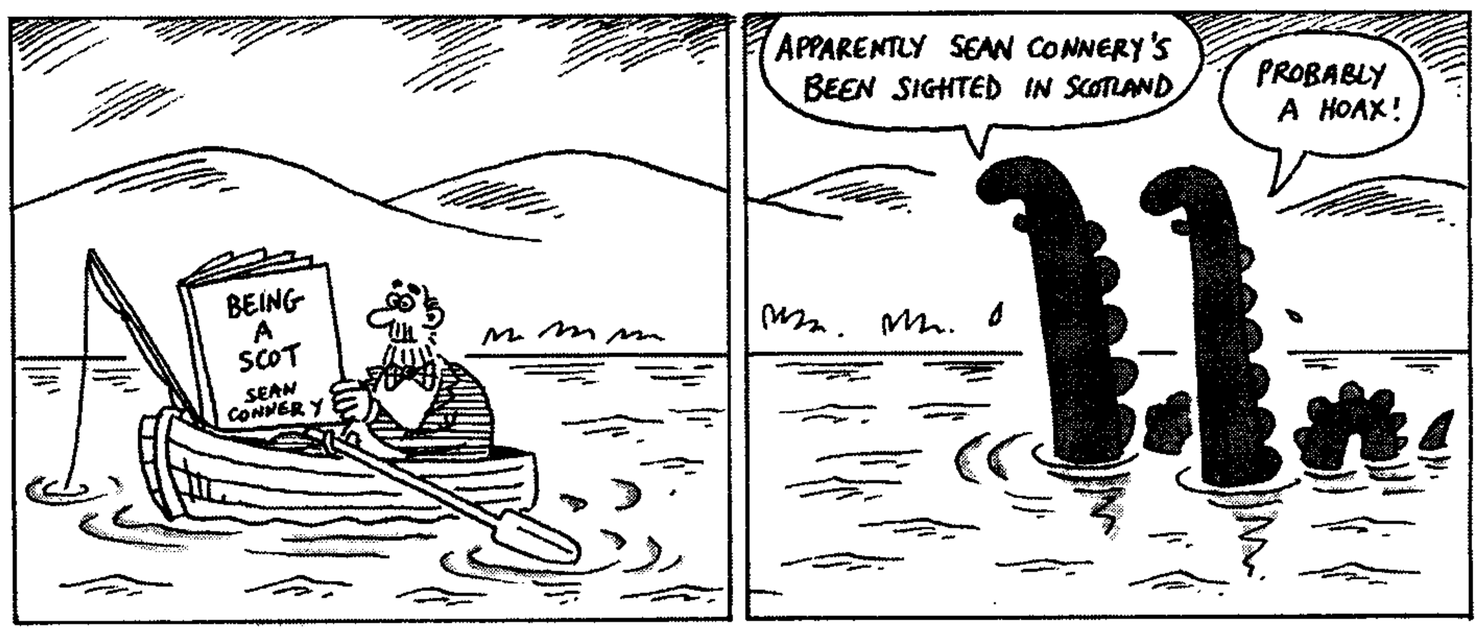
Reviews have ridiculed the book for ludicrous sycophancy and spraying Cameron with gush, so the *Spectator* editor has a less than dignified role – the toady's toady.

■ *NEW Statesman* readers may wonder why so much of its books section in the current issue is given over to a long and admiring review of the summer issue of *Granta* magazine, even though it was published two months ago.

Two points should be borne in mind. This particular *Granta* was edited by Jason Cowley; and the review appeared just a couple of days before the arrival of the *Staggers*'s latest editor: one Jason Cowley.

'Bookworm'

More Literary Review overleaf ☛



The Frith Estate

The Celeb Diaries: The Sensational Inside Story of the Celebrity Decade
Mark Frith
(Ebury Press, £14.99)

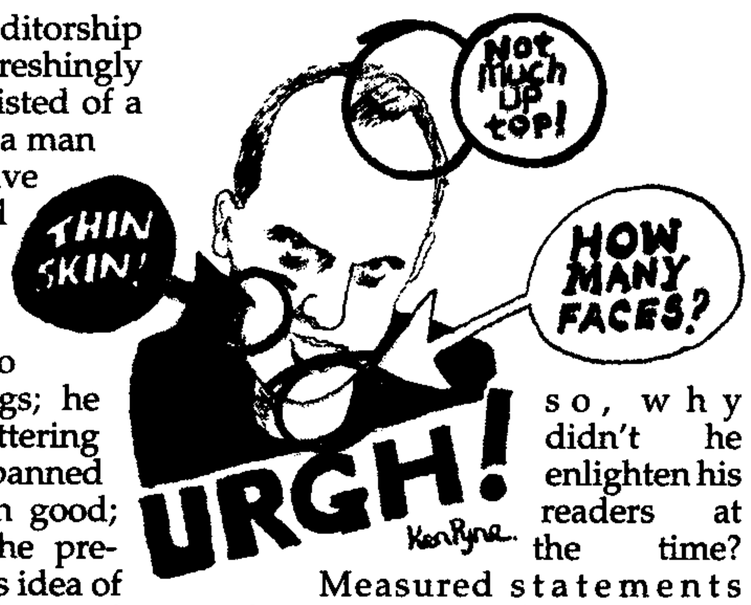
CERTAIN magazines manage to grab a couple of years and give the illusion of defining them: *NME* in the late 70s, the *Face* in the mid-80s, the *Big Issue* a decade later. *Heat*, under the editorship of Mark Frith, fulfilled that role for a while at the beginning of the noughties, falling roughly between the first series of *Big Brother* and the point where Richard Desmond started outbidding the magazine for all its best ideas so he could do them less well in *OK!*.

Frith's account of his editorship seems, on the surface, refreshingly honest: it apparently consisted of a series of reverse ferrets by a man who seems always to have had his finger several inches to the side of the pulse. Frith didn't get *Big Brother* when it started and was only persuaded to cover it by his underlings; he opined loudly that stuttering Gareth Gates should be banned from *Pop Idol* for his own good; and, most impressively, he predicted that rival mag *Now*'s idea of printing celebrities looking ugly "will be a total flop" before stealing the idea wholesale and dining out on it for the next five years.

Of course, these are merely the setups to punchlines that have already been written. Frith has borrowed the format of Piers Morgan's bestseller *The Insider* along with his agent and editor, though unlike Moron he makes no real pretence of contemporaneity. His book is, we are informed, "written in diary form".

Had Frith actually jotted down his thoughts at the time it is unlikely he would have made simple mistakes such as calling Nick Berry "possibly the biggest TV actor of the moment, thanks to his starring role in *Heartbeat*" in 2001, three years after he left the programme, or claiming a photographer was found hiding in a piano at Madonna's wedding when it was actually a bloke with a video camera inside the church organ at her son's christening.

It does, however, allow him to plump things up with a helpful injection of hindsight. Did he really, upon interviewing Posh and Becks in May 2000, notice "a weird tension between these two you can see straight away... something just doesn't quite ring true about this so-called perfect romance", and, if



so, why didn't he enlighten his readers at the time? Measured statements such as "Britney's always seemed very in control of her life, very disciplined, so this is odd" sit awkwardly beside *Heat*'s take on events at the time, which, from memory, was something like "OMG!! WHAT'S CRAZY BRIT DONE NOW?! LOLZ!!"

At times he seems curiously naïve about the business he's in. When Geri Halliwell, discussing her extreme weight loss, opens an interview by pointedly scoffing food in front of him, he fails to clock a classic PR trick exploited by size-zero celebs to ensure their "healthy appetite" is recorded in print (for all we know, the poor woman hasn't eaten since). And it takes him until September 2006 to notice that there is "a lot of game-playing in our world – game-playing that is being initiated for one reason: money. It's so widespread that it's difficult to take anything at face value or believe what we're told."

But then he's a sensitive little flower. For a man who spent years writing picture captions speculating as to whether thin women might be anorexic or fatter ones pregnant, he's astonishingly sensitive to any accusations aimed in his direction. Inaccurate trade press reports about his magazine are obsessively recorded; when critical words appear in another of his publisher's titles he "considered resigning there and then" over "an appalling state of affairs". And while decrying over-protective PR representatives, he's happy to hide behind his management following his self-admittedly "stupid, stupid, stupid mistake" last year when he encouraged his readers to wear stickers mocking Jordan's blind, autistic and growth-hormone-deficient five-year-old son.

When a radio reporter manages to make it as far as his offices he has security escort her from the building, and a mention in a media gossip column results in a sentence that ought, in a just world, to earn its author a lifetime ban from ever again describing himself as a journalist: "I've always wanted to sue someone and now here's my chance."

Ordinary people just don't realise how hard it is to be a celebrity journalist, you see. Why can't they just respect his privacy?

First Drafts

Ted Hughes

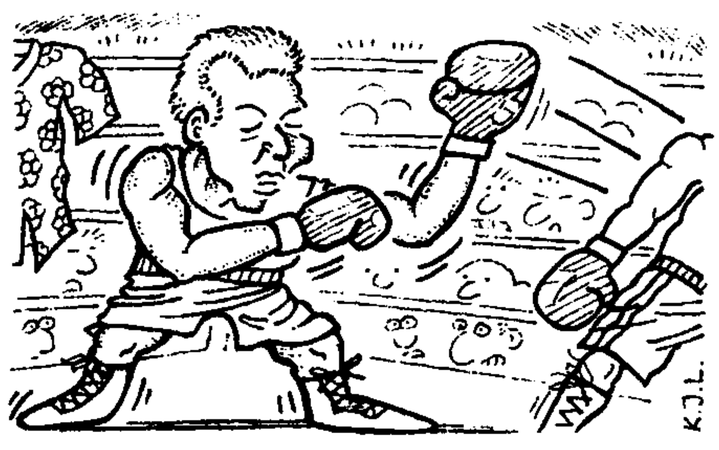
LIBRARY NEWS

■ AFTER the wettest August on record, pity the poor librarians of Walthamstow, whose building is leaking dismally. At least the water isn't coming from the £8,000 fish tanks installed as part of a £3.5m refurbishment in 2006.

Alas, since the flashy makeover, water dribbling in through the roof has damaged the new paint, which is now dappled with brown stains and mould. A council spokeswoman reassured library users that no books had been damaged.

Could that be because any drip's chances of striking an actual book are now pretty small? The London Borough of Waltham Forest lost or culled 250,000 books between 2005 and 2007 (*Eye* 1199). A stock-take last year found 109,099 fewer books than the library thought it owned. Bosses then cleared even more shelf space by ordering staff to send all books not borrowed for three years for recycling.

Wanted
to rent. Mature professional woman, 4 - 6 months. Musician, animal lover, veggie.
Western Daily Press



Living legend, moral exemplar and dearly-loved grandfather of the world, Nelson Mandela was a boxer, likes boxing, and had a ring-side seat to watch Lennox Lewis in South Africa in 2001. I find that challenging, because it's easy to dismiss boxing as something base, vulgar and sub-human, but when this pillar of humanity supports it, you have to think twice.

JONATHAN ROWSON,
Glasgow Herald

Warm Devices: Genealogies of the Remote Control

Title of a public lecture by Professor JULIAN THOMAS, University of New South Wales

Pseuds Corner

I've just moved from Norfolk to London and have painted the walls of my new flat the colour of the macaroons from Laduree. It's very restful.

RAFAELLA BARKER,
Telegraph Magazine

There are melancholy ballads, too – and when she's sad, it's as though her breath is soaked in paraffin: one spark and the whole room would ignite.

DOMINIC CAVENDISH attends a concert by Camille, *Daily Telegraph*

...interweaving, diverse, not to say conflictive emphases and a broad spectrum of items to form a dynamic exchange of parallel and self-eclipsing spatial and temporal zones.

The 'East of Eden' exhibition, currently showing at the Paul Klee centre in Berne, which contains a giant inflatable dog turd christened 'Complex Shit', quoted in the *Guardian*

What would be your fancy dress costume of choice?

A mask of myself on my face, so people would think I am not myself but someone pretending to be me.

How often do you have sex?

It depends what one means by sex. If it's the usual masturbation with a living partner, I try not to have it at all.

SLAVOJ ZIZEK,
Q&A, Guardian

Into the mixed zone they came, one after another, the ghosts of the women they had been 26 miles earlier, egos emptied of pretence, bodies broken, the life sucked out of them, a vacant, spectral sisterhood.

The marathon doesn't drain; it crushes. Paula Radcliffe entered the stadium in 23rd place. She wasn't running. She was trudging wearily over broken glass, every step a poke in the eye with a big stick.

KEVIN GARSIDE,
Daily Telegraph

CONTRIBUTORS: Arthur Fane, Helen Pringle, J. James, Donald Jefferies, Nigel Perkins, L.A. Friedlander, R.F. Dalton.

£10 paid for all entries

IN THE BACK

PENSIONS CRISIS

Dodgy maths

THE government's habit of dumping on future generations through schemes such as the private finance initiative generally involves deferring billions in expenditure for a decade or two. But in one case it has extended to nabbing serious amounts of real cash.

The latest accounts of the Department for Business, Environment and Regulatory Reform (Berr) reveal that in the past two years the Treasury has received £1bn from the Coal Board pension fund, the scheme with the largest number of pensioners in the country.

The payments arise from an arrangement under which the government – until 1994 the owner of British Coal – receives half the scheme's surpluses in return for a state guarantee that the ex-miners will get their pensions.

The only snag is that the scheme's surpluses aren't real; they only emerge because future pension costs are massively discounted on the flawed reasoning that the fund will grow in value by well above inflation. Such performance is assumed because 70 percent of the funds are invested in stocks and shares (and increasingly hedge funds) – a leap of logic that is not allowed for other private-sector pensions.

As recent events on the stock market demonstrate, this strategy is a huge gamble at the taxpayer's expense. When the "surpluses" prove to be fictitious in years to come, it will be taxpayers at the time who have to cough up.

The dubious calculation of "surpluses" has long been the handiwork of the government actuary's department, part of the Chancellor's empire alongside the Treasury (whose profits from the arrangement must be purely coincidental). Until late last year it was headed by Chris Daykin. Daykin performed a similar trick with MPs' pensions, enabling them to look significantly cheaper than they really are.

Last month the parliamentary ombudsman Ann Abraham's report into the collapse of Equitable Life concluded that regulators "and the government actuary's department failed for considerably longer than a decade properly to exercise their regulatory functions".

Daykin is now enjoying his retirement, after 18 years in the job, with a pension worth a cool £2m.

LOCKERBIE APPEAL

No truth, no justice

HOW can the international community have faith in the forthcoming Lockerbie bombing appeal, when even the hearing to decide whether evidence is kept secret from the defence is itself held in secret?

The international observer appointed by the United Nations, Dr Hans Koechler (pictured), has already written to Foreign Secretary David Miliband to protest about Miliband's decision to claim "public interest immunity" over documents, believed to be crucial to the defence of Ali Mohmed al-Megrahi, jailed for life for the 1988 atrocity.

"There is no justice without truth and there can be no truth if evidence is withheld in a criminal case by governmental decree," he wrote.

As *Eye* readers will be aware, the documents apparently relate indirectly to the timer alleged to have detonated the bomb which blew up Pan Am flight 103, killing 270 people, and which was said to incriminate Megrahi and Libya. Originating from an unspecified "foreign" country, they formed one of the six grounds identified by the Scottish Criminal Cases Review Commission for concluding that Megrahi may be innocent. Furthermore, the SCCRC ruled that the suppression of documents and other evidence at his trial was in itself a further ground for appeal – raising serious questions about whether it was police or prosecutors, or both, who sat on crucial evidence.

Despite the material being made available to the SCCRC, Miliband is now trying to put the genie back into the bottle. But if, after last week's hearing when even Megrahi's lawyers were shut out, the appeal judges agree to the documents' suppression, there will be few who believe Megrahi's appeal will be anything but a charade.

There is no date for the three judges – the Lord President Lord Hamilton and Lords Kingarth and Eassie – to make up their minds over the PII. However, they did throw out an attempt by the prosecution to block Megrahi's defence team from having access to and carrying out their own forensic testing on other evidence and material used at the original trial. Given the suspicions about the fragment of bomb timer said to have been found (*Eyes passim*), that may prove very interesting. But whether that is a step towards a meaningful appeal remains to be seen.

AILING NHS

Strategic wealth authorities

FOR evidence of how the evolving NHS "market" is swallowing millions of pounds, one need look no further than this summer's glossy annual reports from our strategic health authorities (SHAs).

SHAs don't actually deliver any health services or patient care, but they do administer the new system of payment by results, which ensures hospital trusts are only paid on a fixed scale per treatment.

No such rigour, however, appears to apply to the payment of SHA management salaries, with little or no correlation between responsibility and workload and the generous pay and pension packages paid to senior managers.

NHS London tops the salary league, with chief executive Ruth Carnall pocketing £250,000-plus. And she is only one of seven NHS London bosses breaking the £100,000 barrier, sharing £925,000 between them. Then there is a squad of senior and supporting managers brought in as a "project team" to implement the £15m roll-out of Lord Darzi's controversial plans to reshape health in the capital.

In the East Midlands, the chief executive gets £205,000, supported by 11 directors on £100,000 or more, sharing more than £1.5m. Another two get £95,000-plus.

In the north, salaries are a little more modest, with North East SHA paying a top salary of £185,000 for its medical director and only three top managers trousering more than £100,000.

NHS London spent more than £25m last year on "consultancy services" – around double the total of all the other SHAs put together. East Midlands spent just £285,000.

NHS London's self-congratulatory report maintains a constipated silence on where it has spent these millions or what results it produced. But with so many well-paid top dogs in the management kennel, why do they need to employ so many others to bark for them?

● In our article about health secretary Alan Johnson and the government's latest shake-up of family doctor and primary care services (*Eye* 1214), we stated that an NHS London public consultation, run by Ipsos Mori, cost £15m. We should have made it clear that the £15m covered both consultation and implementation – the consultation cost £1.1m, of which Ipsos Mori was paid nearly £100,000 for analysing responses.

CRIMINAL COMPENSATION

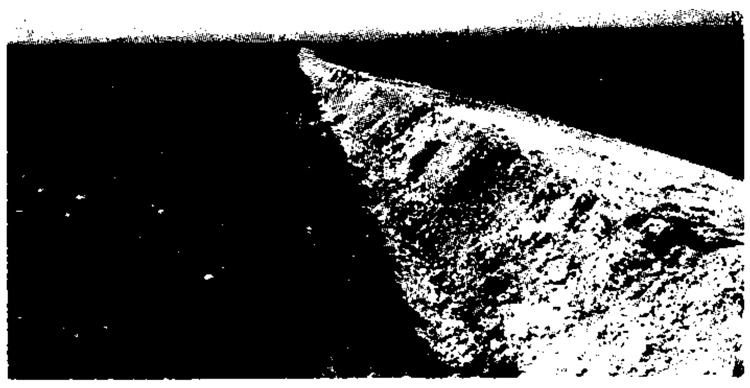
The new CICA

FINALLY some good news for Stephen Menary (pictured), who as a 14-year-old army cadet was horrifically injured by an IRA booby-trap bomb in west London. After a 7½-year battle, the Criminal Injuries Compensation Agency has finally agreed to pay him the maximum amount of £500,000, almost double its original offer.

Readers may remember (*Eye* 1208) how the CICA had resorted to miserly and perverse calculations in order to pay Stephen, who was blinded, lost an ear and an arm and suffered chest and stomach injuries in the blast, the smallest amount of compensation possible. He was told he qualified for a total of £270,306, the equivalent of £5,400 a year.

Its reasoning was extraordinary. Before the blast, Stephen was already blind in one eye because of a rare childhood cancer, so the CICA decided to pay him for the loss of one eye – not the devastating total blindness which he now copes with. It further reduced compensation for his other injuries on a sliding scale and then added insult by agreeing to pay for only his three "worst" injuries.

Last month, however, it had a change of heart and agreed to pay out the maximum available under the scheme. So why couldn't it have done that in the first place, instead of subjecting him to the stress of a protracted battle?



ILLEGAL WASTE

Tye died

MORE than three years after the Eye first wrote about the illegal wall of Telscombe Tye – the hideous mounds of chalk and rubble piled upon the crest of Sussex downland near Peacehaven in the name of conservation – residents are still in despair that it has not been removed. The delay has seen the costs of removal escalate from an estimated £60,000 to an unspecified sum between £100,000 and £500,000.

Built along the track crossing the Tye supposedly to deter travellers, joy riders and fly-tippers, the "bunds" reached 5ft at their highest and contained fly-tipped builders' rubble contaminated with asbestos. They were erected without planning permission, so East Sussex county council demanded that the South Downs Joint Committee and Telscombe Town Council remove it. An appeal last year failed, and the bunds remained while the local authorities and South Downs Committee argued about costs and how the bunds could be safely removed.

Quite why the company which dumped a lot of the illegal waste there has not been ordered to pay the costs of removal is unclear. When the *Eye* asked East Sussex, it said in a statement that it could only issue an enforcement notice against those responsible for the Tye, and that costs were expected to be at the lower end of the estimate. So that's all right, then.

You can contact the In the Back team on 020 7437 4017 or email: strobes@private-eye.co.uk

In the City

MUCH-misunderstood supermarket giant Tesco is still flirting with the controversial world of offshore tax havens, despite being in the middle of a bitter legal battle with the ***Guardian*** over its use of tax-avoidance schemes.

July saw the creation of two new UK limited partnerships, Tesco Coral and Tesco Indigo. Coral has two limited partners and Indigo one. Also created last month were Tesco Coral (GP) and Indigo (GP), general partners to manage limited partnerships. Both companies featured chief executive Sir Terry Leahy as an initial director – he resigned from Tesco Coral last month – along with his key aide, Lucy Neville-Rolfe, and two other prominent Tesco lieutenants.

"I also read palms"

Coral and Indigo may sound familiar. Last year, *Eye* 1180 detailed the creation of a series of similar colour-coded partnerships – Aqua, Blue, Fuchsia, Pink, Red – linked to tax schemes involving Jersey property unit trusts and Cayman Island limited partnerships designed to avoid stamp duty land tax (SDLT) on the sale and leaseback of Tesco supermarkets and warehouses. Sales and leasebacks are part of Tesco's programme to raise £5bn. The Treasury has been engaged in a long, losing battle to prevent SDLT avoidance schemes. It was these schemes that were rediscovered but misinterpreted by the *Guardian*.

Little public information has so far been provided on the Coral and Indigo companies. However, what is clear is that there is a link through Coral with the Universities Superannuation Scheme (USS), Britain's second-largest pension fund and a major property investor.

Among the directors of Tesco Coral (GP) are fund manager Graham Burnett, who runs USS's £2bn-plus retail-property portfolio, and Fergus Egan, who also works for USS. By a remarkable coincidence, only two weeks ago Tesco announced that, as part of its latest £605m fundraising from sale and leasebacks, it had entered into a joint venture on several properties with… yes, USS. Two days earlier, Burne tt and Egan had joined Tesco Coral (GP).

Like many institutional investors, USS seems to have been a fan of Jersey property unit trusts, or JPUTs. These were – and still are – legitimately attractive to investors such as pension funds who do not pay any or full UK tax in order to avoid double taxation. JPUTs have played a central role in SDLT avoidance schemes. Most of these were stopped by the Treasury in 2006.

JPUTs appear to be linked to several of USS's major property investments, such as the Manchester Fort shopping centre and the Eden Walk shopping centre in Kingston, Surrey – which USS bought for £80m earlier this year. Manchester JPUT Keystone Estates is an investor in the Manchester Fort shopping park unit trust. There is also an Eden Walk JPUT Keystone Estates. And there were similarly named JPUT companies linked to two shopping centres USS has sold since 2006 – Telford, sold for £442m, and Gyle in Edinburgh, sold for £267m.

So how interesting to see that back in April a company called Coral JPUT was formed along with Coral Keystone Estates by USS. Burnett and Egan, also directors of Tesco Coral (Nominee), are directors of both new Coral companies. Nominee companies are often used to hold properties on behalf of a limited partnership or unit trust. There is also a Tesco Indigo (Nominee) and a Tesco Indigo (1LP).

If the unit trust owning the property is run from Jersey, it is not subject to UK gains tax on property sales. Similarly sales of the units are tax-free. So once in a JPUT, properties and units are UK tax-free, and there is no tax in Jersey.

What used to happen – until the tax rules were changed during 2006 – was that a UK property would be transferred into the unit trust, SDLT-free, and then units in the underlying property would be sold to the purchaser, again SDLT-free. Often the four per cent SDLT saving was split between the seller and the purchaser, so that the seller received two per cent more and the purchaser paid two per cent less. The JPUT was effectively the "wrapper" which enabled the sale of a UK property avoiding SDLT. And all perfectly legal.

From December 2003 there was a boom in JPUTs. By 2005, a Jersey law firm estimated that a large amount of the £17bn in property by then estimated to be held by UK limited partnerships had been moved to Jersey. Others later put the figure nearer £50bn. Mourant du Feu & Jeune, the Jersey law firm that acts for Tesco, estimated it formed 200 of the 400 JPUTS created in 2005 alone.

In the days immediately before this loophole was largely closed on 22 March 2006, it was estimated that up to £1bn-worth of deals went into JPUTS. One may have involved the Manchester Fort shopping park. Manchester JPUT Keystone Estates began trading on 17 March. David Ryland, head of property finance at SJ Berwin (which advises Tesco's property partner British Land, and was involved in the £650m Tesco Aqua deal with British Land last year), told the *Financial Times* in 2006: "We have been involved in a significant number of transactions, and I'm sure the market has done billions of pounds' worth in recent weeks."

Property tax specialists believe that any offshore unit trust/partnership-owning UK property can still sell the unit trust and avoid SDLT as long as the structure was in place before December 2006 – when the Treasury tried again to close the unit trust/partnership loophole. Similarly, sales of existing units or investment in new units may also not trigger any SDLT liability. This is because UK tax legislation is rarely retrospective.

In March 2006 Jacqueline Richomme, a tax partner at Tesco's Jersey lawyers Mourants, confirmed to *Property Week* that the JPUT game was not over: "We do not expect the flow of new offshore property unit funds to cease because of the advantages of the JPUT in terms of income and capital gains. The flexibility provided by the legal and regulatory framework in Jersey supports that view."

Part of that framework is that details of Jersey limited partnerships or unit trusts – even their existence – do not need to be made public. There are no public filings by any of the JPUTS or limited partnerships.

So is Tesco planning involvement in a JPUT-linked venture with USS? Does it involve the properties sold and leased back last month, or other assets?

USS's Graham Burnett referred all questions about JPUTs and the joint venture to Tesco. Tesco confirmed that three of the properties involved in the USS deal had come from the Fuchsia Partnership. But they insisted that their 50% of the SDLT had been paid on this transaction. Tesco admitted that the properties were now in a JPUT owned by USS.

Tesco would correctly point out that both the new Coral and Indigo limited partnerships are UK-registered and so UK resident for tax. So too, no doubt, is Tesco (GP). And any arrangements are certain to pay any UK tax that is due, as well as being both legal and in shareholders' interests. For – as Sir Terry Leahy never tires of saying –Tesco is one of Britain's biggest corporate taxpayers.

THE Serious Farce Office would appear – for now at least – to be prepared to press on with trying to keep the six-year NHS price-fixing case alive after the shock of having the proposed trial judge indicate there would be no trial.

The SFO has filed a notice seeking leave to appeal against Mr Justice Pitchford's July decision. It has also obtained an independent opinion, believed to be from leading QC Anthony Grabiner, supporting a prosecution for conspiracy to defraud.

An Appeal Court hearing is due to take place in December. If leave to appeal is granted, the court will then decide whether the NHS show can go on. The issue that may decide whether the case continues will be whether the SFO can prove sufficient aggravating factors in the behaviour of the six generic drug companies to get over the problem that price-fixing was not a criminal offence at the time in the 1990s. This would appear to be the test that Mr Justice Pitchford decided the SFO had failed after the Law Lords gave permission to amend the indictment. The other test will be whether SFO director Richard "Grey Man" Alderman decides to push on and gamble on overturning that Pitchford ruling.

The NHS knockback has done nothing for SFO morale, which was already at a record low. Matters are even worse than the sorry picture presented by a survey of SFO employees carried out in June last year and obtained under the Freedom of Information Act. This generally showed worse results than the previous survey in 2004.

Only 28 percent of SFO employees agreed that morale was good, a fall of 22 percentage points from 2004. Almost half did not agree. "Equally of concern" was that only 27 percent

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274.

MODERN INN SIGNS

believed that the public perceived the SFO to be an effective organisation.

Only 23 percent of respondents believed the SFO was well managed – 43 percent thought the reverse. Only 22 percent felt their careers would benefit from working there. Even lower scores were recorded for whether the SFO board provided effective leadership (20 percent); that change was managed effectively (19 percent); or that all teams worked well together (17 percent). Only 26 percent felt that poor performance was dealt with effectively – 44 percent did not.

No wonder, therefore, that only just under half those questioned expected to still be working at the SFO by now – 22 percent were certain they would not. Job satisfaction, pay and security scores were well down on 2004. A fifth of those asked thought there was an atmosphere of bullying/harassment within the SFO. Not surprisingly, this was described as "worrying". As was the fact that only a third of respondents believed that any action would be taken over the survey's results.

Well, on that score, at least, they were wrong. Powered by the highly critical De Grazia report, which relied in part on the survey, most of the SFO top management has been decapitated and under Grey Man a new regime is promised.

Perhaps influenced by these and the De Grazia findings, Alderman has decided to invest in changing that perceived poor public image. Former BBC journalist and would-be Labour MP Sam Jaffa has been hired on an open-ended contract to give "specialised media advice" to the director and the SFO board. His fee – paid via recruitment agency Adecco, through whom Jaffa is employed – is at the monthly rate of a mere £180,000 a year. Remarkably, that is more than the £166,000 a year at which the director's job was advertised. No doubt worth every pound.

LITTLE Liechtenstein is desperate to improve its image as a "dirty money" haven, so bolstered by the revelations from the LGT Bank whistleblower which have been taken up by HMRC and tax authorities around the world.

So a good time for the latest government-sponsored annual "Liechtenstein Dialogue" on the future of financial markets – due to be held on 2-3 October in the capital, Vaduz. This year the key topic is "perspectives on private wealth management".

However, given the LGT scandal, it is perhaps surprising to see Sir Tom Shebbeare, the Prince of Wales's director of charities, on the bill. He is due to talk about the "entrepreneurial approach of royal philanthropy". Unlike Britain, Liechtenstein is, of course, really run by royals. Indeed, they control LGT Bank. So no doubt Prince Charles will be happy that Sir Tom is supporting the tiny state's royal ruler, Prince Alois, in his hour of need.

Sadly there is no room on the programme for any discussion of tax evasion. But Sir Tom is to be followed by a discussion on "privacy – a blessing or a curse for financial centres". On the panel is a representative of the European Commission but nobody from any of the EU's tax authorities, who have such a great current interest in how Liechtenstein protects the privacy of foreigners so they can evade tax.

'Slicker'

EYE CROSSWORD 373

by Cyclops

£100 prize to first correct solution opened on 12 September 2008

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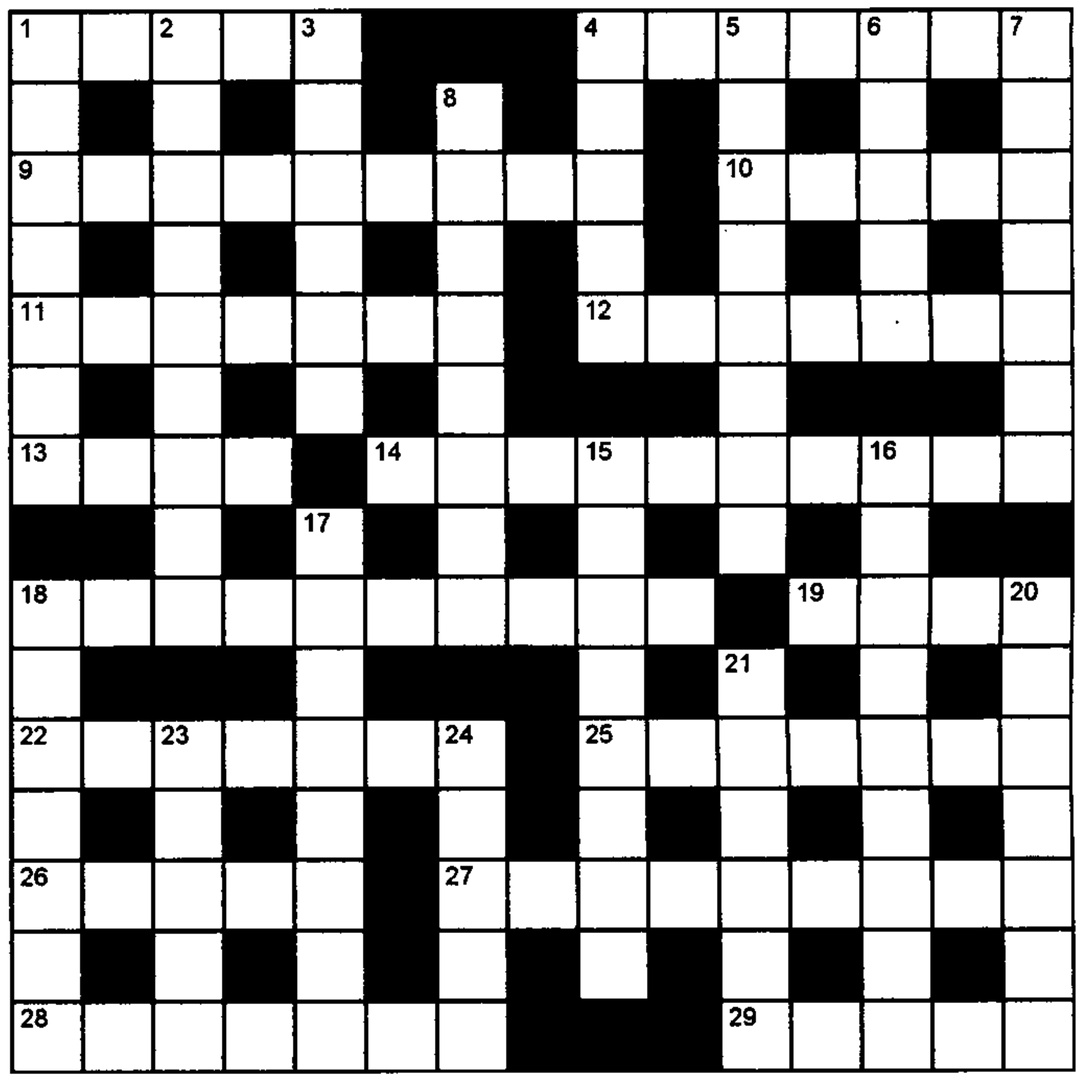

ACROSS

1 Release from gutted Labourite: 'Got pissed!' (3,2)
4 Lech stimulated by drink: Clinton, maybe (7)
9 Go getting tap artist, Dicky (6,3)
10 Blow, ecstasy and crack Midge dumped (5)
11/3 Landlord type of person with grave message, causing a stink (7,3,3)
12 A push over after S and M, revealing bust (5,2)
13 Name Labour's leader's lost charismatic air (4)
14 Conservative Elmer a flop – departs in two years (5-5)
18 Cow possibly holding right shoe as a milk extractor (6,4)
19 See 6 dn.
22 Piss-poor screwing with a ball-less slob may (7)
25 Too much of a coward for illegal deliveries? (2-5)
26 A title has unhinged Cyclops (taking lead from Boris) (5)
27 Insult politician Butcher (9)
28 What Obama wants to be is in tatters – consumed by anger, possibly? (5,2)
29 A rag once produced by brown-noser's slight shuffling (5)

DOWN

1 Bung end of arse and get sick up, flower! (7)
2 Cheapskate pissed over rat (5-4)
3 See 11ac.
4 Smack heads finally getting something to wipe their noses on in vulgar fashion? (5)
5 Nice to look at type of organ is able to delay piss reversing out (3,5)
6/19 Kitty hardly pure as the driven snow (5,4)
7 Stiff examination dashing past you (7)
8 Extended shag, US-style, as performed by athletes (4,4)
15 Wax is totty in short skirt? Totally opposite! (8)
16 Origin of depraved, loud Beeb plays in which sex usually takes place? (6,3)
17/24 In lead, Obama's busted Clinton's butt (who's totally unpopular with Americans) (5,3,5)
18 British charlies which some love to rub (7)
20 Ed's ballsed up – Tory excitement "total" (7)
21 Lost job (caught in film showing thingy) (6)
23 Straw strung up by balls – rough! (5)
24 See 17dn.

Crossword 372 winner: SHEILA BEESLEY

ACROSS: 1/4 Robert Mugabe 8 Striptease 9 Nero 10 Planck 11 Sterling 12 True blue 15 Camply 17 Triangle 19 Embezzle 21 Expect 23/14 Anti-semite 24 Bottom line 25 Crimea 26 Effete.

DOWN: 1 Rattler 2 Brian 3 Ruth Kelly 4 My eye 5 Gentlemen 6 Baronet 7 Hassle 13 Euphemism 14 Skives off 16 Almoner 17 Treaty 18 Licence 20 Zebra 22 Pulse.

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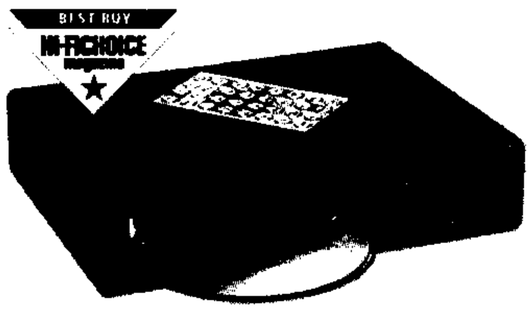

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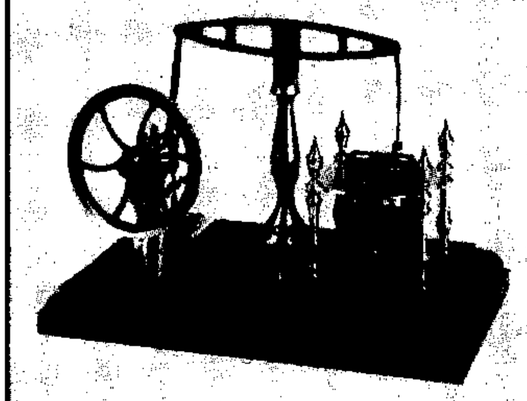

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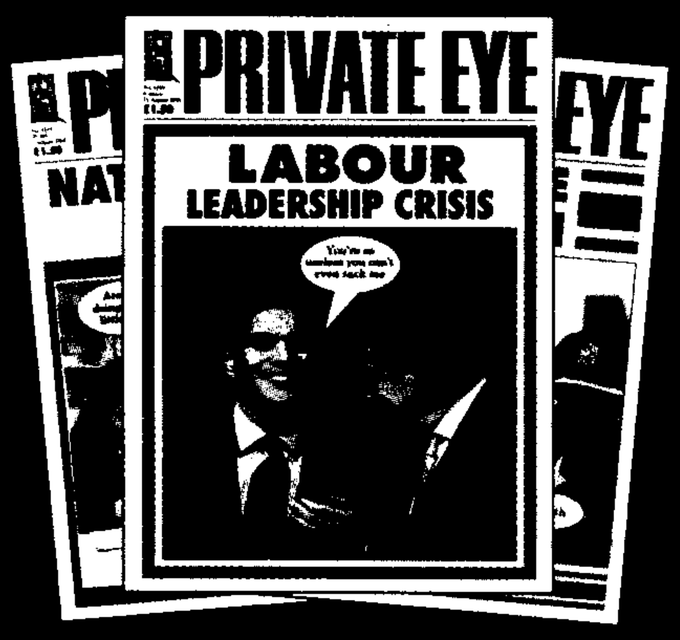

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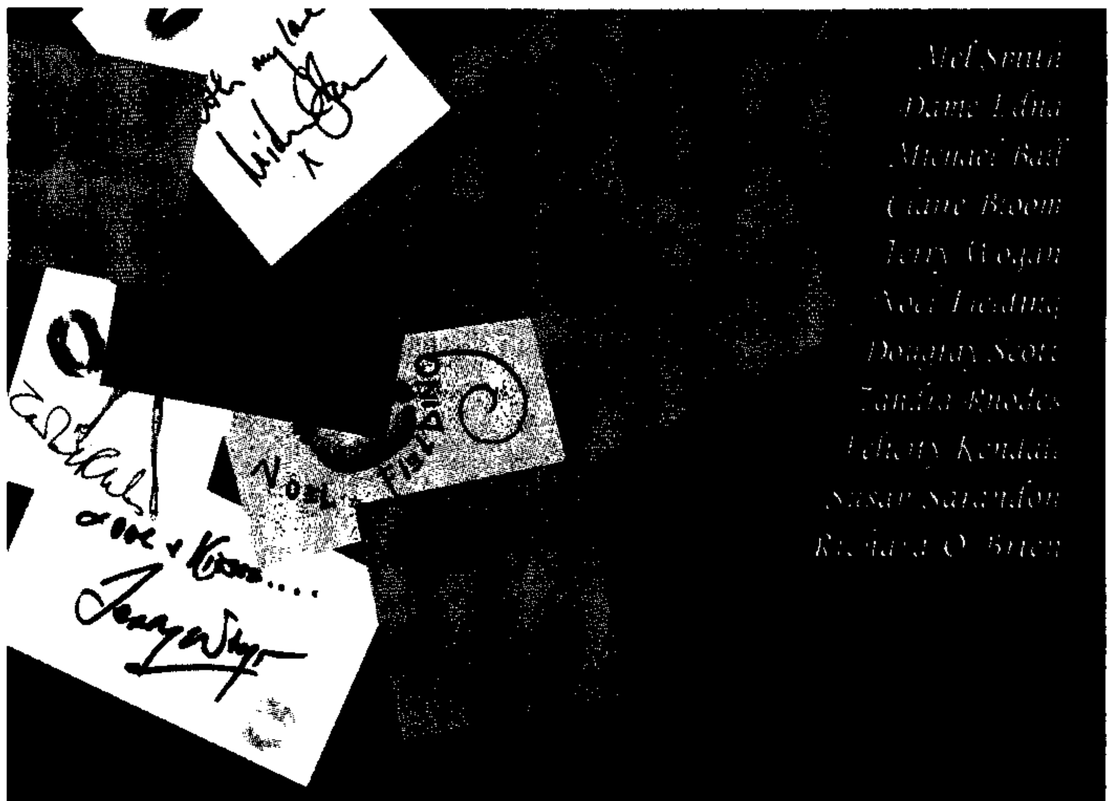

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Indeed, so successful is ***Mr. Daswani***, that – a little unnervingly as he is measuring you up – he freely admits he doesn't really need to work any more. 'My team is as experienced as I am. But I just love men's suits and I wouldn't feel right sitting at home. It's not a business. It's a mission.

'I love seeing customers walk in a really bad suit that cost them a fortune and walk out in one of our suits that's perfect in every way, made with a good heart in a superior fabric for a half or a quarter as much.'

The price of a Daswani shirt and suit are astonishing. We are talking from £19 (£25 including tax and duty) for a custom shirt and £129 (£169 including tax and duty) for a fully lined, made-to measure suit in a lightweight wool or linen, to £250 (£325 including tax and duty) for a 100 per cent wool, entirely hand finished suit in a British cloth, with every refinement from handmade button holes to knee lining. Even the most expensive suit, made in deluxe superfine wool for £1,500 (£1,950 including tax and duty), costs a third less than it would on **Savile Row**.

Raja Daswani may be based in Hong Kong, but his sartorial mission to the badly dressed and overpaying British customer brings him to the UK as often as once a month. He and his team take over hotel suites in major cities, so British customers can make an appointment and get the full Kowloon Monty.

Measurements and digital photos are taken here and emailed to Hong Kong. Often, your suit will be started on by a tailor 6,000 miles away before you've even left the hotel. You can have it couriered within a week or so, or wait for a second fitting when the Raja team hits your town again a few weeks later.

It now remains to see whether the Raja revolution, with its inspired mix of artistic flair, entrepreneurial genius and digital technology, will see the end of the off the peg British chain store suit. On price alone, it's a sartorial solution that will even please the Suits in accounts.

Business hours 10am - 8pm
(by appointment only)
email: raja@raja-fashions.com
Mobile: ***07786 543258***
Tel: 0163 557 4233
Website: www.raja-fashions.com

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London	**Hilton London Tower Bridge**
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London	**Hilton Paddington Hotel**
Sep 18-21	**146 Praed Street, W2 1EE**
London	**Four Seasons Hotel**
Sep 22-23	**46 Westferry Circus, E14 8RS**
London	**Novotel London Tower Bridge**
Sep 24-26	**10 Pepys Street, EC3N 2NR**
London	**Hilton On Park Lane**
Sep 27-29	**22 Park Lane, W1K 1BE**
Aberdeen	**Thistle Aberdeen Caledonian**
Sep 4-5	**10-14 Union Terrace, AB10 1WE**
Belfast	**Holiday Inn**
Sep 20	**22 Ormeau Avenue, BT2 8HS**
Birmingham	**Hyatt Regency Birmingham**
Sep 9-10	**2 Bridge Street, B1 2JZ**
Brighton	**Hilton Brighton Metropole Hotel**
Sep 14-15	**Kings Road, East Sussex, BN1 2FU**
Bristol	**Bristol Marriott Hotel**
Sep 23-24	**2 Lower Castle Street, BS1 3AD**
Cambridge	**Royal Cambridge Hotel**
Sep 12-13	**Trumpington Street, CB2 1PY**
Cardiff	**Cardiff Hilton Hotel**
Sep 21-22	**Kingsway, Cardiff, CF10 3HH**
Dublin	**Dublin Four Seasons Hotel**
Sep 22-24	**Simmonscourt Road, Dublin 4**
Edinburgh	**George Hotel**
Sep 6-7	**19-21 George Street, EH2 2PB**
Exeter	**Thistle Exeter**
Sep 19-20	**Queen Street, Devon EX4 3SP**
Glasgow	**Hilton Glasgow**
Sep 8-9	**1 William Street, G3 8HT**
Heathrow	**Sheraton Heathrow**
Sep 26-27	**Heathrow Airport, UB7 0HJ**
Leeds	**Leeds City Hilton**
Sep 15-16	**Neville Street Leeds, LS1 4BX**
Manchester	**Renaissance Manchester Hotel**
Sep 13-14	**Blackfriars Street, M3 2EQ**
Newcastle	**Hilton Newcastle Gateshead**
Sep 17-18	**Bottle Bank, NE8 2AR**
Northampton	**Northampton Marriott**
Sep 16-17	**Eagle Drive, NN4 7HW**
Norwich	**Marriott Sprowton Manor Hotel**
Sep 11	**Wroxham Road, NR7 8RP**
Nottingham	**Crowne Plaza Nottingham**
Sep 11-12	**Wollaton Street, NG1 5RH**
Oxford	**Old Bank Hotel**
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Reading	**Penta Hotel**
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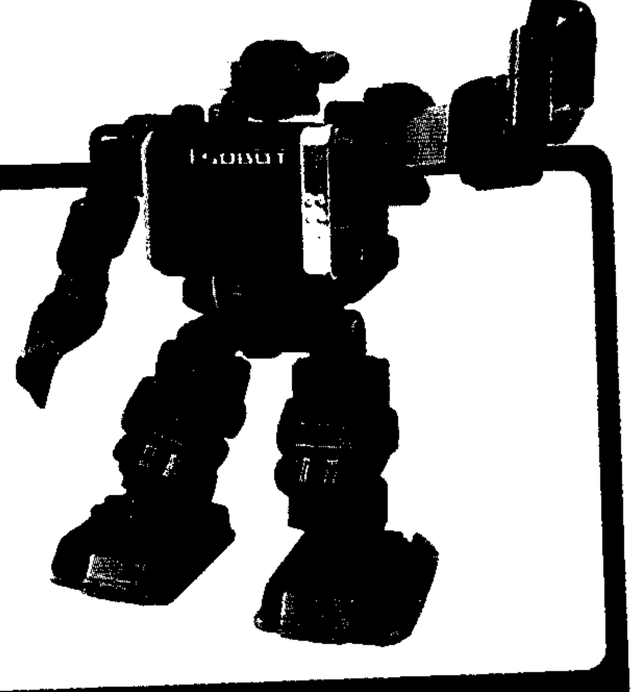

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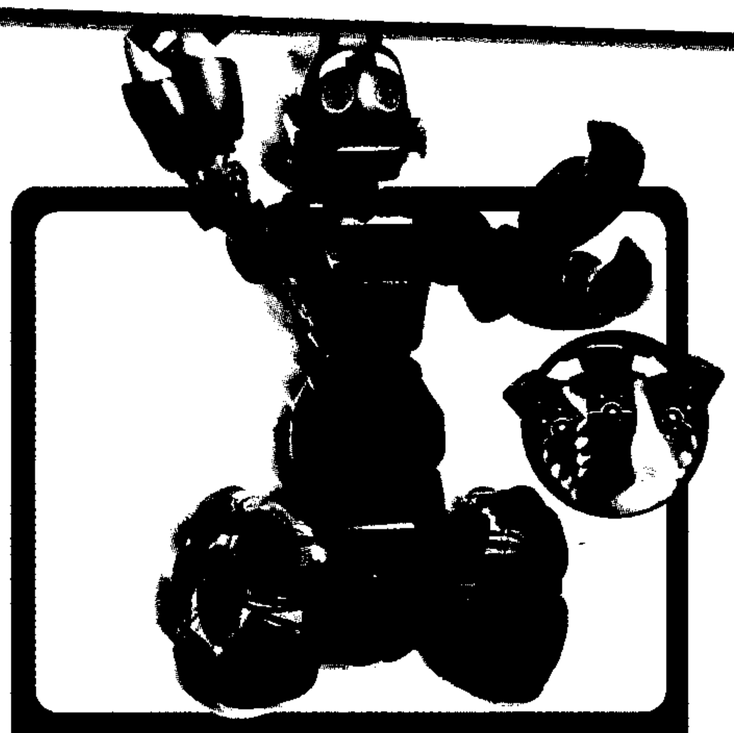

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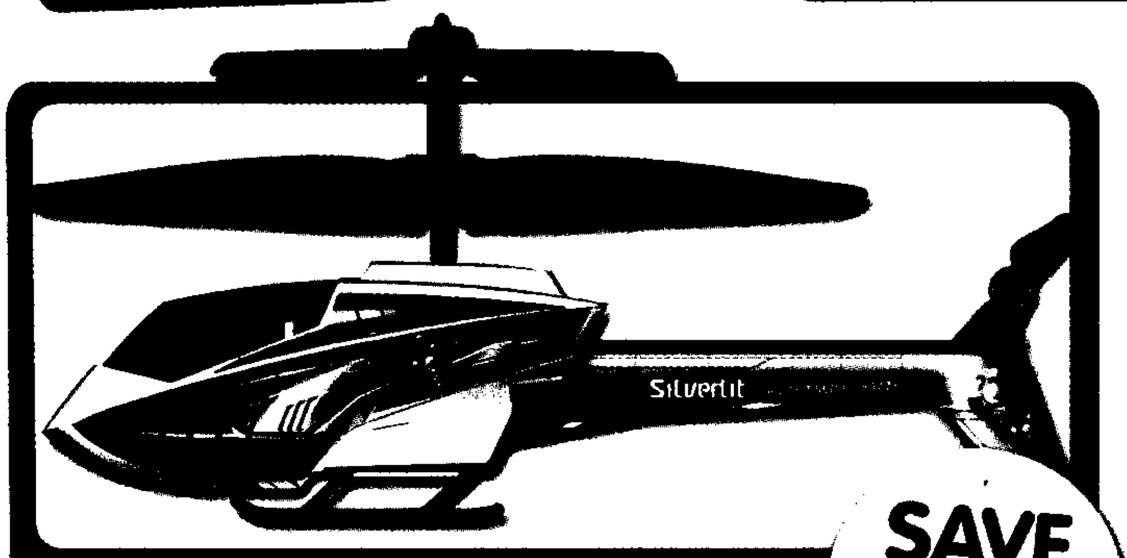

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